Avianca Midco 2 PLC

Offer to Exchange Any and All of the
9.000% Tranche A-1 Senior Secured Notes due 2028 (the "Existing Notes")
for 9.000% Senior Secured Notes due 2028 (the "New Notes")
and
Solicitation of Consents from holders of the Existing Notes

Existing Notes			Exchange Consideration[1]	
Description	**CUSIP/ISIN**	**Principal Amount Outstanding[2]**	**If tendered on or before the Early Participation Date**	**If tendered after the Early Participation Date**
9.000% Tranche A-1 Senior Secured Notes due 2028[3]	Rule 144A: 05368PAA7 / US05368PAA75 Regulation S: G2956PAA5 / USG2956PAA50	US$1,111,936,821	US$1,000 principal amount of the New Notes and US$10.00 in cash (collectively, the "Early Exchange Consideration")	US$950 principal amount of the New Notes (the "Late Exchange Consideration)

(1) Per US$1,000 principal amount of the Existing Notes validly tendered, and not validly withdrawn and accepted for exchange. The Early Exchange Consideration and the Late Exchange Consideration does not include Accrued Interest (as defined herein), which shall be paid together with the applicable Exchange Consideration as described herein.
(2) As of the date of this Exchange Offer and Consent Solicitation Memorandum.
(3) The Existing Notes are currently listed on The International Stock Exchange Authority Limited (the "TISE").

The Offer and Solicitation (as defined herein) will expire at 11:59 p.m., New York City time, on February 11, 2025 (such date and time, as the same may be extended, the "Expiration Date"). Existing Notes tendered for exchange may be validly withdrawn at any time on or before 5:00 p.m., New York City time, on January 28, 2025 (such date and time, as the same may be extended, the "Withdrawal and Revocation of Consents Date"). To be eligible to receive the Early Exchange Consideration, Eligible Holders (as defined herein) must tender and not withdraw their Existing Notes on or before 5:00 p.m., New York City time, on January 28, 2025 (such date and time, as the same may be extended, the "Early Participation Date"). Eligible Holders who tender and do not withdraw their Existing Notes after the Early Participation Date but on or before the Expiration Date will be eligible to receive the Late Exchange Consideration. The deadline set by any intermediary or relevant clearing system may be earlier than these deadlines.

Avianca Midco 2 PLC (the "Issuer" or "we") hereby invites holders of the Existing Notes to exchange any and all of their Existing Notes for New Notes (the "Exchange Offer"), on the terms and subject to the conditions as described in this exchange offer memorandum and consent solicitation statement (this "Exchange Offer and Consent Solicitation Memorandum").

Simultaneously with the Exchange Offer, the Issuer is soliciting consents (the "Consent") of the holders of the Existing Notes (the "Consent Solicitation") to amend certain provisions of the indenture dated December 1, 2021 (the "Existing Notes Indenture"), entered among the Issuer, as issuer, Avianca Group International Ltd. ("AGIL" or the "Parent Guarantor"), and the other guarantors party thereto (the "Existing Notes Guarantors"), Wilmington Savings Fund Society, FSB, as trustee (the "Existing Notes Trustee"), registrar, transfer agent and principal paying agent, and GLAS Americas LLC, as collateral trustee (the "Existing Notes Collateral Trustee"), in order to (i) among other matters, eliminate substantially all of the restrictive covenants, amend certain events of default and related provisions with respect to the Existing Notes and release the liens on certain assets constituting collateral securing the Existing Notes (the "Released Assets"), and direct the Existing Notes Trustee to enter into the Majority Amendments (as defined herein) and direct the Existing Notes Trustee and the Existing Notes Collateral Trustee to release the Released Assets (the "Proposed Majority Amendments"), and (ii) in the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, release and discharge all of the guarantees of the Existing Notes by the Existing Notes Guarantors pursuant to the Existing Notes Indenture (the "Existing Notes Guarantees") and release all of the collateral securing the Existing Notes (the "Existing Notes Collateral"), and direct the Existing Notes Trustee to enter into the 90% Amendments (as defined herein) and direct the Existing Notes Trustee and the Existing Notes Collateral Trustee to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral and to execute documents necessary to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral (the "Proposed 90% Amendments" and, together with the Majority Amendments, the "Proposed Amendments"). The Exchange Offer and the Consent Solicitation are referred to herein as the "Offer and Solicitation."

The adoption of the Proposed Majority Amendments requires the consent of holders of not less than a majority in principal amount of the Existing Notes then outstanding. The adoption of the Proposed 90% Amendments requires the consent of holders of at least 90% in principal amount of the Existing Notes then outstanding.

Eligible Holders may not tender their Existing Notes for exchange pursuant to the Exchange Offer without delivering their Consents pursuant to the Consent Solicitation, and Eligible Holders may not deliver their Consents pursuant to the Consent Solicitation without tendering their Existing Notes pursuant to the Exchange Offer. The valid tender of Existing Notes by an Eligible Holder pursuant to the Exchange Offer will be deemed to constitute

the giving of a Consent by such Eligible Holder to the Proposed Amendments. No separate or additional consideration, whether by way of interest, fee or otherwise, will be paid in connection with the Consent Solicitation.

The Offer and Solicitation is subject to certain conditions, including the Minimum Exchange Condition (as defined below) and the Financing Condition (as defined below), as more fully described herein, which may be asserted or waived by us in full or in part in our sole discretion. We reserve the right to amend (without extending withdrawal rights unless required by applicable law) or terminate, at any time, the Offer and Solicitation and to not accept for exchange any Existing Notes not theretofore accepted for exchange in our sole discretion (including if any condition is not satisfied or we determine that any such condition is not reasonably likely to be satisfied). We will give you notice of any amendments or termination if required by applicable law.

In addition to the Offer and Solicitation, the Issuer intends to issue the Refinancing Notes (as defined herein) pursuant to a contemplated offering for cash (the "Concurrent Offering"), which we expect to close on or about the Settlement Date (as defined herein). The Issuer expects to use the net proceeds of the Concurrent Offering to redeem in full the 9.000% Tranche A-2 Senior Secured Notes due 2028 issued by the Issuer and to repay in full the loans under the LifeMiles Credit Agreement (as defined herein), and, to the extent of any remaining amounts, to repay other debt (including the repurchase of New Notes in the open market, through tender offers or otherwise) and/or for general corporate purposes. This Exchange Offer and Consent Solicitation Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, the Refinancing Notes. The Concurrent Offering will be made only by and pursuant to the terms of a separate offering memorandum. See "Summary—Recent Developments—Concurrent Offering of Refinancing Notes."

The Issuer's obligations under the New Notes and the New Notes Indenture (as defined herein) will be fully and unconditionally guaranteed (the "New Notes Guarantees") by (i) the Parent Guarantor, (ii) the Existing Notes Guarantors and (iii) the LifeMiles Guarantors (as defined herein) (together with the Parent Guarantor and the Existing Notes Guarantors, the "New Notes Guarantors"). The New Notes and the New Notes Guarantees will rank equally in right of payment with each other and with all of the Issuer's and the New Notes Guarantors' respective existing and future senior indebtedness that is not expressly subordinated in right of payment to the New Notes or the New Notes Guarantees, as the case may be, including without limitation, the Refinancing Notes and, with respect to the Existing Notes Guarantors, the Existing Notes to the extent that Required Consents for the Proposed 90% Amendments (as defined herein) are not received). The New Notes and the New Notes Guarantees will be (i) senior in right of payment to all of the Issuer's and the New Notes Guarantors' respective existing and future indebtedness that is subordinated in right of payment and (ii) effectively senior to all existing and future indebtedness that is unsecured or secured by junior liens on the New Notes Collateral (as defined herein), in each case, to the extent of the value of the New Notes Collateral securing the New Notes and the New Notes Guarantees. In addition, the New Notes and the New Notes Guarantees will be (i) secured on a *pari passu* basis with the Issuer's and the New Notes Guarantors' respective existing and future indebtedness secured by the New Notes Collateral, in each case, to the extent of the value of the applicable New Notes Collateral, including without limitation, the Refinancing Notes and, in the case of the Existing Collateral, the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received), (ii) structurally subordinated to the liabilities of any of the Parent Guarantor's subsidiaries that do not guarantee the New Notes and (iii) effectively subordinated to all of the Issuer's and the New Notes Guarantors' respective existing and future indebtedness that is secured by assets not included in the New Notes Collateral, in each case, to the extent of the value of such assets securing such indebtedness. See "Description of the New Notes."

We intend to apply to have the New Notes listed on a stock exchange that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007. There can be no assurance that this application will be accepted.

You should consider the risk factors beginning on page 38 of this Exchange Offer and Consent Solicitation Memorandum before you decide whether to participate in the Offer and Solicitation and invest in the New Notes.

We have not registered the New Notes under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities law. The New Notes may not be offered or sold in the United States or to any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes are being offered for exchange only (1) to "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("QIBs"), in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof, and (2) outside the United States, to persons other than "U.S. persons" (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act.

Only holders who have submitted a duly completed electronic eligibility letter (the "Eligibility Letter") certifying that they are within one of the categories described in the immediately preceding paragraph are authorized to receive and review this Exchange Offer and Consent Solicitation Memorandum and to participate in the Offer and Solicitation (such holders, "Eligible Holders").

Lead Dealer Managers and Solicitation Agents

Deutsche Bank Securities **Citigroup** **J.P. Morgan**

Co-Dealer Managers

Credit Agricole CIB **Goldman Sachs & Co. LLC**

Barclays **Morgan Stanley**

January 14, 2025

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You should carefully read this entire Exchange Offer and Consent Solicitation Memorandum. Neither we nor the Dealer Managers and Solicitation Agents have authorized anyone to provide you with any information other than that contained in this Exchange Offer and Consent Solicitation Memorandum, and neither we nor the Dealer Managers and Solicitation Agents take responsibility for, and can provide no assurance as to the reliability of, any other information others may give you. You should assume that the information appearing in this Exchange Offer and Consent Solicitation Memorandum is accurate as of the date on the front cover only. Our business, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of this Exchange Offer and Consent Solicitation Memorandum nor the exchange of Existing Notes made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the front cover.

Unless otherwise indicated or the context otherwise requires, references in this Exchange Offer and Consent Solicitation Memorandum to "Offer and Solicitation Documents" are, collectively, to: (i) this Exchange Offer and Consent Solicitation Memorandum, (ii) the Eligibility Letter, and (iii) any other document, if any, sent by or on behalf of the Issuer to the Eligible Holders, amending or supplementing any other Offer and Solicitation Documents.

This Exchange Offer and Consent Solicitation Memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any other person or to the public in general to participate in the Offer and Solicitation and subscribe for the New Notes. Distribution of this Exchange Offer and Consent Solicitation Memorandum to any person other than the offeree and any person retained to advise such offeree is unauthorized, and any disclosure of any of its contents without our prior written consent is prohibited. Each offeree, by accepting delivery of this Exchange Offer and Consent Solicitation Memorandum, agrees to the foregoing and not to make copies of this Exchange Offer and Consent Solicitation Memorandum, in whole or in part.

Any questions regarding procedures for tendering Existing Notes should be directed to D.F. King & Co., Inc. (the "Information and Exchange Agent") at the contact information provided on the back cover page. The Eligibility Letter and Exchange Offer and Consent Solicitation Memorandum can be accessed via https://www.dfking.com/avianca (the "Exchange Offer Website"). You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer and Solicitation.

This Exchange Offer and Consent Solicitation Memorandum is intended solely for use in connection with the Offer and Solicitation and does not purport to summarize all of the terms, conditions, covenants and other provisions relating to the terms of the New Notes contained in the indenture governing the New Notes (the "New Notes Indenture") to be entered into in connection with the issuance of the New Notes with Wilmington Savings Fund Society, FSB, as trustee (the "New Notes Trustee") and GLAS Americas LLC, as collateral trustee (the "New Notes Collateral Trustee" and, together with the Existing Notes Collateral Trustee and the 2025 Collateral Trustee (as defined herein), the "Collateral Trustees" and each, a "Collateral Trustee"), and the collateral security documents in connection thereto.

You acknowledge that:

- you had the opportunity to review all financial and other information considered by you to be necessary to make your investment decision and to verify the accuracy of, or to supplement, the information contained in this Exchange Offer and Consent Solicitation Memorandum;

- you have not relied on the Dealer Managers and Solicitation Agents or us, or any person affiliated with the Dealer Managers and Solicitation Agents or us in connection with your investigation of the accuracy of such information or your investment decision; and

- no person has been authorized to give any information or to make any representation concerning us or the New Notes other than as set forth in this Exchange Offer and Consent Solicitation Memorandum.

This Exchange Offer and Consent Solicitation Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any New Notes in any jurisdiction in which it is unlawful to make an offer or solicitation. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or

sell the New Notes and you must obtain any consent, approval or permission required for your purchase, offer or sale of the New Notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we, the Existing Notes Trustee, the New Notes Trustee, the Collateral Trustees, the Dealer Managers and Solicitation Agents, nor any of our or their respective affiliates or representatives are making any representation to any offeree or purchaser of the New Notes offered hereby regarding the legality of any investment by such offeree or purchaser under any applicable law.

In making your decision whether to accept the Offer and Solicitation and invest in the New Notes, you must rely on your own examination of us and the terms of the Exchange Offer, including the merits and risks involved. You should not construe the contents of this Exchange Offer and Consent Solicitation Memorandum as legal, business, financial or tax advice. You should consult your own advisors as needed to make your investment decision and to determine whether you are legally permitted to purchase the New Notes under applicable legal investment or similar laws or regulations. You should be aware that you may be required to bear the financial risks of an investment in the New Notes for an indefinite period of time.

The New Notes offered through this Exchange Offer and Consent Solicitation Memorandum are subject to restrictions on transferability and resale, and may not be transferred or resold in the United States except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration under, or exemption from, such laws. By tendering Existing Notes into the Offer and Solicitation and by delivering the Eligibility Letter, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions" in this Exchange Offer and Consent Solicitation Memorandum.

The New Notes have not been approved or recommended by the U.S. Securities and Exchange Commission (the "SEC") or any U.S. federal or state securities commission or any other U.S. regulatory authority. Furthermore, the foregoing authorities have not passed upon or endorsed the merits of the Offer and Solicitation or confirmed the accuracy or determined the adequacy of this Exchange Offer and Consent Solicitation Memorandum. Any representation to the contrary is a criminal offense in the United States.

None of the Issuer, the Dealer Managers and Solicitation Agents, the Existing Notes Trustee, the New Notes Trustee, the Collateral Trustees or the Information and Exchange Agent makes any recommendation as to whether or not Eligible Holders of Existing Notes should exchange their Existing Notes in the Exchange Offer and deliver Consents in the Consent Solicitation.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The New Notes (and the related New Notes Guarantees) described in this Exchange Offer and Consent Solicitation Memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU, as amended (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No. 1286/2014, as amended (the "PRIIPs Regulation"), for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This Exchange Offer and Consent Solicitation Memorandum has been prepared on the basis that any offer of New Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of notes.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The New Notes (and the related New Notes Guarantees) are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union

(Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive , where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "U.K. Prospectus Regulation"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation. This Exchange Offer and Consent Solicitation Memorandum has been prepared on the basis that any offer of New Notes in the U.K. will be made pursuant to an exemption under the FSMA and the U.K. Prospectus Regulation from the requirement to publish a prospectus for offers of notes.

In addition, in the U.K., this Exchange Offer and Consent Solicitation Memorandum and any other material relating to the New Notes are only being distributed to, and are directed only at, (i) persons having professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), or (ii) High Net Worth Entities falling within article 49(2)(a) to (d) of the Order, or (iii) persons to whom it would otherwise be lawful to distribute them (all such persons together being referred to as "Relevant Persons"). In the U.K. the New Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the New Notes will be engaged in only with, Relevant Persons. This Exchange Offer and Consent Solicitation Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by any recipients to any other person in the U.K. any person in the U.K. that is not a Relevant Person should not act or rely on this Exchange Offer and Consent Solicitation Memorandum or its contents.

NOTICE TO PROSPECTIVE INVESTORS IN LUXEMBOURG

This Exchange Offer and Consent Solicitation Memorandum has not been approved by and will not be submitted for approval to the Luxembourg financial sector supervisory authority (*Commission de Surveillance du Secteur Financier*) for purposes of a public offering or sale in Luxembourg. Accordingly, the New Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Exchange Offer and Consent Solicitation Memorandum nor any other offering memorandum, form of application, advertisement or other material related to such New Notes may be distributed, or otherwise be made available in or from, or published in, Luxembourg except in circumstances where the offer benefits from an exemption to or constitutes a transaction not subject to the requirement to publish a prospectus, in accordance with the Prospectus Regulation and the Luxembourg law of 16 July 2019, on prospectuses for securities.

NOTICE TO PROSPECTIVE INVESTORS IN COLOMBIA

The New Notes have not been and will not be registered in the Colombian National Registry of Securities and Issuers (*Registro Nacional de Valores y Emisores*) maintained by the Colombian Superintendence of Finance (*Superintendencia Financiera de Colombia*, the "SFC"). The New Notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering or intermediation (*intermediación*) of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2555 of 2010 to offer privately the New Notes to their Colombian clients.

NOTICE TO RESIDENTS OF BERMUDA

The New Notes may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003, the Exchange Control Act 1972 and the Companies Act 1981 and regulations promulgated thereunder, which regulate the sale of securities in Bermuda. Additionally, non- Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

NOTICE TO PROSPECTIVE INVESTORS IN BRAZIL

The offer and sale of the New Notes and related guarantees have not been and will not be registered with the Brazilian securities commission (*Comissão de Valores Mobiliários*, or "CVM") and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM Resolution No. 160, dated July 13, 2022, as amended ("Resolution 160"), or unauthorized distribution under Brazilian laws and regulations. The New Notes and related New Notes Guarantees will be authorized for trading on organized non-Brazilian securities markets and may only be offered to Brazilian professional investors (as defined by applicable CVM regulation), who may only acquire the New Notes and related New Notes Guarantees through a non-Brazilian account, with settlement outside Brazil in non-Brazilian currency. The trading of these securities on regulated securities markets in Brazil is prohibited.

NOTICE TO PROSPECTIVE INVESTORS IN THE CAYMAN ISLANDS

The New Notes may not be offered, sold or negotiated in the Cayman Islands, unless the Issuer becomes listed on the Cayman Islands Stock Exchange.

NOTICE TO PROSPECTIVE INVESTORS IN THE BAHAMAS

The New Notes shall not be offered or sold into The Bahamas except in circumstances that do not constitute an offer to the public. The New notes may not be offered or sold or otherwise disposed of in any way to persons deemed "resident" for exchange control purposes by the Central Bank of The Bahamas (the "Bank") without the prior written permission of the Bank.

NOTICE TO PROSPECTIVE INVESTORS IN CHILE

The offering of the New Notes is subject to General Rule (Norma de Carácter General) No. 336, dated June 27, 2012 ("CMF Rule 336"), as amended by General Rule (Norma de Carácter General) No. 452, dated February 22, 2021 ("CMF Rule 452"), both issued by the Financial Market Commission of Chile ("CMF"). As such, the New Notes may not be offered or sold in Chile, directly or indirectly, by means of a "public offering" (as defined under Law No. 18,045, the "Chilean Securities Market Law," and regulations from the CMF). Pursuant to Chilean law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is quite broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law. The New Notes cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding securities registry or they are offered in reliance of an available exemption from such registration requirement. Pursuant to the limits and restrictions of CMF Rule 336, as amended, the New Notes may be privately offered in Chile, among others, to certain "qualified investors" identified as such therein (which in turn are further described in CMF General Rule (Norma de Carácter General) No. 216 of 2008). Pursuant to CMF Rule 336, as amended, the following information is provided in Chile to prospective resident investors in the offered New Notes:Date of commencement of the offer: January 14, 2025.

1. The offer of the New Notes is subject to General Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the CMF, as amended.
2. The offer refers to New Notes that are not registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry) of the CMF and therefore, the New Notes are not subject to the oversight of the CMF.
3. Since the New Notes are not registered in Chile, the Issuer is not obliged to provide publicly available information about the New Notes in Chile.
4. The New Notes may not be publicly offered in Chile unless and until they are registered in the relevant securities registry of the CMF.

IMPORTANT DATES

Please take note of the following important dates and times in connection with the Offer and Solicitation.

Date	Calendar Date	Event
Commencement of the Offer and Solicitation	January 14, 2025.	The day the Offer and Solicitation is announced, and this Exchange Offer and Consent Solicitation Memorandum is made available to Eligible Holders.
Early Participation Date	5:00 p.m., New York City time, on January 28, 2025, unless extended.	The deadline for Eligible Holders to validly tender Existing Notes in order to be eligible to receive the Early Exchange Consideration. See "The Offer and Solicitation—Early Participation Date."
Withdrawal and Revocation of Consents Date	5:00 p.m., New York City time, on January 28, 2025, unless extended.	The deadline for Existing Notes validly tendered for exchange to be validly withdrawn and for Consents validly delivered to be validly revoked.
Expiration Date	11:59 p.m. (New York City time) on February 11, 2025, unless extended.	The deadline for Eligible Holders to validly tender Existing Notes in order to be eligible to receive the Late Exchange Consideration. Eligible Holders will not be able to tender into DTC's ATOP system after 5:00 p.m., New York City time, on February 11, 2025. To participate in the Offer and Solicitation after 5:00 p.m., New York City time, on February 11, 2025 through the Expiration Date, Eligible Holders must email the Information and Exchange Agent directly at avianca@dfking.com.
Settlement Date	Expected to be the third business day immediately succeeding the Expiration Date. The Settlement Date is currently expected to occur on February 14, 2025, unless extended.	The date the New Notes will be issued, and the Exchange Consideration will be delivered in exchange for any Existing Notes validly tendered, and not validly withdrawn, and accepted for exchange.

The above times and dates are subject to our right to extend, amend and terminate the Offer and Solicitation (subject to applicable law and as provided in this Exchange Offer and Consent Solicitation Memorandum). **Eligible Holders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes, as applicable, as to when such intermediary would need to receive instructions from a beneficial owner in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, the Offer and Solicitation before the deadlines specified in this Exchange Offer and Consent Solicitation Memorandum.** The deadlines set by any such intermediary and The Depository Trust Company ("DTC") for the submission of tender instructions for the Existing Notes may be earlier than the relevant deadlines specified above.

The Issuer reserves the right in its sole discretion, subject to applicable law, to (i) waive prior to the Expiration Date any and all conditions to the Offer and Solicitation; (ii) extend the Early Participation Date and/or the Expiration Date (without extending the withdrawal rights, unless required by applicable law); (iii) amend the terms of the Offer and Solicitation in any respect, or (iv) terminate, withdraw or otherwise decide not to proceed with the Offer and Solicitation at any time prior to or at the Early Participation Date and/or the Expiration Date and not accept for purchase or payment any Existing Notes not theretofore accepted for purchase or payment (including if the Issuer determines that it is not reasonably likely that such condition will be satisfied or waived by the Issuer). The foregoing rights are in addition to the right to delay acceptance of Existing Notes tendered under the Offer and

Solicitation or the issuance of New Notes in exchange for validly tendered Existing Notes (subject to Rule 14e-l under the Exchange Act (as defined herein), which requires that we pay the consideration offered or return Existing Notes deposited by or on behalf of Eligible Holders promptly after the termination or withdrawal of the Offer and Solicitation).

ADDITIONAL INFORMATION

We have agreed that while any New Notes remain outstanding and are "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, we will make available, upon request, to any holder or prospective purchaser of New Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act with respect to us during any period in which we are not subject to Section 13 or 15(d) of the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") or exempt by virtue of Rule 12g3-2(b) thereunder. Any such request should be directed to us at our principal office at Ac. 26 #59-15, Bogotá, Colombia.

FORWARD-LOOKING STATEMENTS

This Exchange Offer and Consent Solicitation Memorandum includes forward-looking statements within the meaning of the Securities Act or the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), which include, but are not limited to, all statements other than statements of historical facts contained in this Exchange Offer and Consent Solicitation Memorandum, including those that relate to our current expectations and views of future events. The words "believe," "may," "should," "would," "aim," "estimate," "continue," "anticipate," "intend," "will," "expect," "plan" and similar words are intended to identify forward-looking statements. Forward-looking statements contained in this Exchange Offer and Consent Solicitation Memorandum include, but are not limited to, statements about:

- our possible or assumed future results of operations;
- our business strategies, financing plans, competitive position, industry environment, strategies for reducing costs and increasing operational efficiency, and potential selected growth opportunities;
- the effects of regulation and competition; and
- the outcome of the Concurrent Offering (as defined herein).

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future, including those listed under "Risk Factors," which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and estimates and that our actual results of operations, including our financial condition and liquidity and the development of the industries and markets in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements contained in this Exchange Offer and Consent Solicitation Memorandum. In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry and markets in which we operate, are consistent with the forward-looking statements contained in this Exchange Offer and Consent Solicitation Memorandum, those results or developments may not be indicative of results or developments in subsequent periods.

Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- our ability to successfully execute our strategy;
- our inability to control certain of our costs, including aircraft fuel, aviation insurance, aircraft acquisition costs, airport and related infrastructure costs;
- our ability to maintain or increase our profitability, given that we have incurred significant losses from operations in the past, effected an out-of-court restructuring in 2019 and a bankruptcy reorganization in 2021;
- the timely delivery of purchased aircraft;
- our reliance on a limited number of suppliers for our aircraft and engines;
- our dependence on our hubs at BOG and SAL;
- any development that would prevent or delay our access to airports or routes that are significant to our strategy;

- volatility in fuel costs and disruptions in fuel supply;
- our ability to maintain our strategic alliances and commercial partnerships, such as our Star Alliance membership;
- our reliance on third party providers for parts and services, including for maintenance;
- our ability to respond to outbreaks or the threat of outbreaks of contagious diseases with epidemic or pandemic potential;
- an accident or major incident involving our aircraft or aircraft of the types we operate;
- terrorist attacks or hostilities;
- our reliance on our own and third-party distribution channels;
- our ability to maintain or grow our ancillary revenue;
- new or changes to consumer protection regulations and laws, including those applicable to charges for ancillary products and services;
- losses of business partners by LifeMiles or changes to their policies;
- costs related to LifeMiles redemptions;
- an accumulation of ticket refunds and our ability to maintain our liquidity;
- our reliance on a high daily Aircraft Utilization rate;
- our ability to adjust our fixed costs in response to a shortfall in expected operating revenue or to compete effectively with airlines with greater financial resources or lower operating costs;
- our maintenance costs;
- the competitive environment in our industry;
- increasing competition from other global airlines due to the continuing liberalization of restrictions historically affecting airlines and consolidation in the industry;
- the effects of seasonality;
- our dependence on our senior management team and key financial, operational and commercial personnel;
- our ability to effectively manage acquisitions, divestitures, investments, joint ventures and other portfolio actions;
- damage to our reputation or brand image;
- the inappropriate and/or unauthorized use of certain media platforms, by our workforce or others;
- our capacity to generate sufficient cash to service all of our Debt;
- our ability to comply with the operating and financial restrictions imposed by our Financial Indebtedness agreements and Aircraft Leases;
- our ability to pay the fixed costs associated with aircraft-related fixed obligations;

- variations in interest rates;
- our ability to incur additional Debt, which could further exacerbate the risks associated with our significant Debt;
- the Issuer's dependence on subsidiaries for cash to meet its obligations because it is a holding company with no operations of its own;
- changes in the regulatory environment in which we operate, including relating to safety assessments by regulators;
- international bilateral and multilateral air transport agreements and dependence on authorities granting permits;
- compliance with anti-corruption, anti-bribery, anti-money laundering and sanctions laws;
- compliance with ethics and compliance standards;
- economic and trade sanctions and restrictions against Cuba, and groups opposed to the Cuban regime;
- compliance with antitrust laws and regulations in the countries in which we operate;
- compliance with international anti-drug trafficking laws;
- compliance with environmental regulations;
- our ability to achieve our stated sustainability goals or further our sustainability initiatives;
- the negative effects of climate change, the potential increased impacts of severe weather events and the increased regulation of our carbon emissions;
- we may become involved in litigation;
- our reliance on automated systems to operate our business;
- any interruption, destruction, leakage or loss of data in our information technology systems or such of our suppliers, providers or business partners, including at LifeMiles or Star Alliance, due to cyberattacks;
- our ability to protect our intellectual property rights;
- availability of intellectual property and technology license agreements with third parties;
- our ability to attract and retain qualified, skilled employees necessary to operate our business;
- increases in labor costs, union disputes, employee strikes and other labor-related disruption;
- our dependence on macroeconomic and political conditions in the countries in which we operate;
- influence exercised by Latin American governments over their economies;
- internal security issues in certain Latin American countries in which we operate;
- fluctuations in foreign exchange rates and restrictions on currency exchange;
- high inflation rates;

- geopolitical events, changes, potential changes or uncertainties in regulatory and economic conditions or laws and policies in the territories and countries where we operate;
- developments and the perception of risk in other countries, especially emerging market countries;
- the effects of natural disasters;
- allegations of corruption against the government, politicians and the private sector in the countries where we operate;
- Abra has granted a charge over, and an equitable mortgage in respect of, all of our ordinary shares that it owns as collateral to secure its obligations under the Abra Indebtedness (as defined herein);
- Abra's interest may conflict with those of noteholders following the offering;
- any additional taxes resulting from changes to tax laws or regulations or the interpretation thereof in Colombia or other countries where we operate;
- transfer pricing rules in multiple jurisdictions;
- periodic audits and examinations by taxing authorities;
- global rules imposing minimum levels of tax in the jurisdictions in which we operate; and
- other factors discussed under "Risk Factors" in this Exchange Offer and Consent Solicitation Memorandum.

The forward-looking statements made in this Exchange Offer and Consent Solicitation Memorandum speak only as of the date on which the statements are made in this Exchange Offer and Consent Solicitation Memorandum. You should not put undue reliance on any forward-looking statements. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Basis of Presentation

See "Glossary of Terms" for the definition of certain terms used in this Exchange Offer and Consent Solicitation Memorandum.

We maintain our books and records in U.S. dollars, which is the functional currency for each legal entity within the Avianca Group. Unless otherwise specified, all references to "U.S. dollars," "dollars," "U.S.$" or "$" are to the legal currency of the United States, and references to "Colombian pesos", "pesos" or "COP." are to the legal currency of Colombia.

Our financial information contained in this Exchange Offer and Consent Solicitation Memorandum has been derived from our records and financial statements, and includes (i) AGIL's unaudited condensed consolidated interim financial statements as of September 30, 2024 and for the three-month and nine-month periods ended September 30, 2024 and 2023 (our "condensed interim financial statements"), included elsewhere in this Exchange Offer and Consent Solicitation Memorandum, which have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standard Board ("IASB") and (ii) AGIL's audited consolidated financial statements as of December 31, 2023 and 2022 and for the two years ended December 31, 2023 and 2022 (our "audited financial statements" and, together with the condensed interim financial statements, our "consolidated financial statements"), included elsewhere in this Exchange Offer and Consent Solicitation Memorandum, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, in each case together with the notes thereto.

Reclassifications

In our unaudited condensed consolidated interim financial statements as of September 30, 2024 and for the three-month and nine-month periods ended September 30, 2024 and 2023, to improve presentation and comparability with other companies in our industry and address certain immaterial corrections, we reclassified certain line items in our statements of comprehensive income and in our statements of financial position, as compared to the presentation in our audited consolidated financial statement as of December 31, 2023 and 2022 and for the two years ended December 31, 2023 and 2022:

- ***Statements of Comprehensive Income***
    - we segregated depreciation, amortization and impairment into the following line items: (i) depreciation of right of use asset, (ii) other depreciation and amortization and (iii) impairment of other investments and assets held for sale;
    - we reclassified the impairment recognized in selling expenses associated with other investments, to impairment of other investments and assets held for sale;
    - as an immaterial correction, we reclassified discontinuing operations corresponding to assets held for sale, previously treated as loss from discontinuing operations, to impairment of other investments and assets held for sale;
- ***Statements of Financial Position***
    - to ensure alignment with the definition of a demand deposit under IAS 7, we reclassified restricted cash pledged from checking and savings accounts to meet collateral requirements, previously treated as cash and cash equivalents, to current and non-current deposits and other assets;
    - we segregated intangible assets and goodwill, net into separate line items for goodwill and intangible assets;

- we segregated property and equipment into separate line items for right of use assets and property and equipment; and

- we segregated (i) current portion of lease liability as a separate line item from the short-term borrowings and current portion of long-term debt and (ii) long-term lease liability as a separate line item from long-term debt.

We have derived the consolidated statements of comprehensive income data for the nine months ended September 30, 2024 and September 30, 2023 presented in this Exchange Offer and Consent Solicitation Memorandum from our condensed interim financial statements, which reflect the reclassifications above, and the consolidated statements of comprehensive income data for the years ended December 31, 2023 and 2022 from our audited financial statements, which do not reflect such reclassifications. As a result, the consolidated statements of comprehensive income data for the nine months ended September 30, 2024 and September 30, 2023 presented in this Exchange Offer and Consent Solicitation Memorandum is not entirely comparable to the consolidated statements of comprehensive income data for the years ended December 31, 2023 and 2022 presented in this Exchange Offer and Consent Solicitation Memorandum.

In addition, to improve period-to-period comparability, we have derived the consolidated statement of financial position data as of December 31, 2023 presented in this Exchange Offer and Consent Solicitation Memorandum from our audited financial statements and included in those figures the reclassifications referred to above to conform to the presentation of our financial position data as of September 30, 2024 derived from our condensed interim financial statements. The consolidated statement of financial position data as of December 31, 2022 included in this Exchange Offer and Consent Solicitation Memorandum is derived from our audited financial statements and do not reflect such reclassifications. As a result, the consolidated statement of financial position data as of September 30, 2024 and December 31, 2023, as presented in this Exchange Offer and Consent Solicitation Memorandum, is not entirely comparable to the consolidated statement of financial position data as of December 31, 2022 presented in this Exchange Offer and Consent Solicitation Memorandum.

Issuer Financial Statements

We have not included any financial statements for the Issuer in this Exchange Offer and Consent Solicitation Memorandum. The Issuer does not, and will not, publish financial statements. In addition, the Issuer will not furnish to the New Notes Trustee or the holders of the New Notes any financial statements of, or other reports relating to, the Issuer. The Issuer's obligations under the New Notes will be fully and unconditionally guaranteed by the Guarantors. The financial condition and results of operations of the Issuer have been fully consolidated in our consolidated financial statements, which consolidate the financial condition and results of operations of AGIL and its subsidiaries (including the Issuer).

Last Twelve Months Information

In this Exchange Offer and Consent Solicitation Memorandum, we present certain financial information for the twelve-month period ended September 30, 2024. Financial information for the twelve-month period ended September 30, 2024 has been calculated by adding financial information derived from our statement of comprehensive income for the nine months ended September 30, 2024 to financial information derived from our statement of comprehensive income for the year ended December 31, 2023, and subtracting financial information derived from our statement of comprehensive income for the nine months ended September 30, 2023. We present our results for the twelve-month period ended on September 30, 2024 after giving effect to the reclassifications implemented by us beginning with our condensed interim financial statements.

We present this data as a supplemental measure for investors in assessing our performance. This data is not necessarily indicative of the results that may be expected for the year ended December 31, 2024, and should not be used as the basis for, or prediction of, annualized calculation.

Segment Information and Presentation of Segment Financial Data

As of September 30, 2024, our business was organized into two reportable segments, as follows:

- **Air Transportation**: corresponds to passenger and cargo operations including ancillaries and other revenues for scheduled flights and freight transport, respectively; and

- **Loyalty**: corresponds to the LifeMiles program and includes the loyalty subsidiaries of the Avianca Group.

Corporate functions that are not specifically attributable to an individual reportable segment are separately reported as Corporate.

For the nine months ended September 30, 2024, we have modified the segment presentation in our financial statements to present the results of operations net of inter-segment eliminations, and to change the performance metric from net income to operating income, which is consistent with IFRS 8 paragraph 23. The new presentation focuses on the performance of the segment and departs from a legal entity view. We believe that this segment presentation better reflects the way we manage our business.

For the years ended December 31, 2023 and 2022, the Loyalty segment reflected the combined figures corresponding to the LifeMiles legal entities. For the nine months ended September 30, 2024, the Loyalty segment incorporates inter-segment eliminations and the results of other loyalty-related businesses previously presented in the Air transportation segment, such as VIP lounges, Elite benefits and Star Alliance membership.

For more information on our segments, see note 5 to our condensed interim financial statements included elsewhere in this Exchange Offer and Consent Solicitation Memorandum.

Special Note Regarding Non-IFRS Financial Measures

In addition to our financial information that has been prepared and presented in accordance with IFRS, this Exchange Offer and Consent Solicitation Memorandum includes certain non-IFRS financial measures (the "Non-IFRS Financial Measures"), which include Adjusted EBITDAR, passenger operating cost excluding fuel, Passenger CASK ex-fuel, Gross Debt, Adjusted Net Debt and Liquidity.

These Non-IFRS Financial Measures are presented for supplemental informational purposes only and should not be considered in isolation or as substitutes for financial information presented in accordance with IFRS. The Non-IFRS Financial Measures do not have a standard meaning and are not necessarily comparable to other similarly titled non-IFRS measures used by other companies due to differences in the method of calculation. The Non-IFRS Financial Measures should be considered along with, but not as an alternative to, measures calculated in accordance with IFRS. Because the Non-IFRS Financial Measures are not prepared in accordance with IFRS, investors are cautioned not to place undue reliance on this information.

Definitions

We define "Adjusted EBITDAR" as net income (loss) for the period, excluding loss from discontinuing operations, income tax expense (benefit)—deferred, income tax expense—current, taxes on revenues treated as income taxes locally, foreign exchange, net, equity method income/profit, interest expense, interest income, depreciation of right of use asset, other depreciation and amortization, depreciation, amortization and impairments, impairment of other investments and assets held for sale, and rentals. Adjusted EBITDAR is presented in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness," as a metric for compliance with our covenants, as the form of calculation is derived from the New Notes Indenture. This metric should not be used as a performance metric. For a reconciliation of net income (loss) to Adjusted EBITDAR, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

We define "passenger operating cost excluding fuel" as total operating expenses, *less* aircraft fuel, cargo freighters and courier operating expenses, loyalty operating expenses and corporate costs). For a reconciliation of total operating expenses to passenger operating cost excluding fuel, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

We define "Passenger CASK ex-fuel" as (i) passenger operating cost excluding fuel *divided by* (ii) aircraft seating capacity multiplied by the number of kilometers the seats are flown ("ASKs"). For a reconciliation of total operating expenses to Passenger CASK ex-fuel, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

We define "Gross Debt" as the sum of long-term debt, short-term borrowings and current portion of long-term debt, long-term lease liability and current portion of lease liability at the end of a period. For a calculation of Gross Debt, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

We define "Adjusted Net Debt" as Gross Debt *minus* cash and cash equivalents, short-term investments and restricted cash at the end of such period. For a calculation of Adjusted Net Debt, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

We define "Liquidity" as the sum of unrestricted cash and cash equivalents, short-term investments and the undrawn portion of our revolving credit facilities for a given date. For a calculation of Liquidity, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

Usefulness

We believe that Adjusted EBITDAR is a useful valuation measure commonly used by investors, securities analysts and other interested parties to derive valuation estimates without consideration of the impact of distinct aircraft financing and ownership methodologies, which vary and are not consistently comparable among airlines. In particular, by excluding interest expense, depreciation of right of use asset and rentals expense, the measure permits the reader to isolate (i) the accounting effects of aircraft acquisition, which may be made through direct purchase, acquisition debt or leases, with each methodology being presented differently for accounting purposes; and (ii) other items that would be accounted for as part of the assets that were acquired as opposed to leased, such as charges that fall into the exceptions of IFRS 16, including variable lease payments and short-term lease payments.

In addition, we use Adjusted EBITDAR to measure our compliance with certain incurrence covenants in our Financial Indebtedness (including, upon consummation of this Offering and Solicitation and the Concurrent Offering, the New Notes and the Refinancing Notes). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," "Description of the New Notes" and "Description of Other Indebtedness."

Passenger operating cost excluding fuel and Passenger CASK ex-fuel are important measures used by management and by our board of directors in assessing the quarterly and annual cost performance of our core passenger operations. We believe that passenger operating cost excluding fuel and Passenger CASK ex-fuel are useful for investors because they provide investors with an additional measure of the financial performance of our core passenger operations excluding the effects of a significant cost item over which management has limited influence. The price of fuel, over which we have limited control, impacts the comparability of period-to-period financial performance, and excluding the price of fuel allows management an additional tool to understand and analyze our non-fuel costs and core operating performance, and increases comparability with other airlines that also provide a similar metric. We also exclude cargo freighters and courier operating expenses, loyalty operating expenses and corporate costs (mainly in connection with the Chapter 11 Proceedings), as these costs are unrelated to our core passenger operations. We believe that these exclusions may also improve comparability to our Peer Airlines, which may manage their loyalty programs differently than ours and/or may not incur certain corporate expenses equivalent to those resulting from our Chapter 11 Proceedings and, in addition, may not operate a separate freighter operation or may similarly exclude it. We believe these non-IFRS measures are more indicative of our ability to manage the costs of our core passenger operations.

Adjusted EBITDAR and Passenger CASK ex-fuel are commonly used in the airline industry and therefore are frequently used by securities analysts, investors and other interested parties in their evaluation of companies comparable to us, many of which present EBITDAR-related metrics or Passenger CASK (or cost per available seat mile, or "CASM") ex-fuel or other CASM or CASK-related metrics when reporting their results.

We believe that disclosure of Gross Debt, Adjusted Net Debt and Liquidity are useful to potential investors as they provide them with a clearer understanding of our indebtedness and financial liquidity. In addition, we are required to maintain a minimum Liquidity in certain of our Financial Indebtedness (including, upon consummation of this Offer and Solicitation and the Concurrent Offering, the New Notes and the Refinancing Notes). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," "Description of the New Notes" and "Description of Other Indebtedness."

Limitations

Adjusted EBITDAR should not be viewed as a measure of our financial performance or considered in isolation or as an alternative to IFRS measures because it excludes, among other items, foreign exchange, net, equity method income/profit, interest expense, interest income and rentals, which are normal, recurring cash operating expenses that are necessary to operate our business. Because of this exclusion, Adjusted EBITDAR has limitations as an analytical tool. Accordingly, you are cautioned not to place undue reliance on this information when analyzing our results of operations and financial condition.

Adjusted EBITDAR has other limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results of operations as reported under IFRS. For example, Adjusted EBITDAR:

- does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, working capital needs;
- does not reflect the cash requirements necessary to service payments on our Debt;
- although depreciation, amortization and impairment are non-cash charges, the assets being depreciated, amortized and impaired will often need to be replaced in the future, and Adjusted EBITDAR does not reflect any cash requirements that would be required for such replacements; and
- does not reflect the impact of all non-recurring items.

Passenger operating cost excluding fuel and Passenger CASK ex-fuel do not reflect fuel costs, which historically have been our most significant operating expense. In addition, in order to allow management and our board of directors to assess quarterly and annual cost performance of our core passenger operations, passenger operating cost excluding fuel and Passenger CASK ex-fuel do not reflect cargo freighters and courier operating expenses, loyalty operating expenses and corporate costs, and as a result do not reflect the unit costs of our business as a whole.

Gross Debt, Adjusted Net Debt and Liquidity are not measures of financial performance under IFRS and should not be used in isolation and should not be considered as an alternative to operating cash flows or as a measure of liquidity.

Accordingly, prospective investors should not place undue reliance on Adjusted EBITDAR, Passenger CASK ex-fuel, Gross Debt, Adjusted Net Debt and Liquidity.

Non-Comparability

Adjusted EBITDAR or similarly titled measures, Passenger CASK (or CASM) ex-fuel or other CASM or CASK-related metrics, Gross Debt, Adjusted Net Debt, Liquidity or similarly titled measures are commonly used by

different companies for differing purposes and are often calculated in ways that reflect the varying circumstances of those companies. There is a high degree of variability among the methods of calculating CASK ex-fuel (or the equivalent similarly titled measure). For example, many airlines do not explicitly exclude loyalty and/or cargo freighters or cargo belly operations from their calculations, but may include other adjustments to their calculations that we do not, such as variable aircraft rental expenses and other gains and losses. You should exercise caution in comparing Adjusted EBITDAR or other Adjusted EBITDAR-related metrics and Passenger CASK (or CASM) ex-fuel, Gross Debt, Adjusted Net Debt and Liquidity as reported by other companies.

Rounding

Certain figures, percentages and other amounts included in this Exchange Offer and Consent Solicitation Memorandum have been rounded for ease of presentation. Any discrepancies between totals and the sums of the amounts listed are due to rounding.

Industry and Market Data

Within this Exchange Offer and Consent Solicitation Memorandum, we reference information and statistics regarding our airline routes and our competitive position and market opportunity, and the market size of, the Latin American air transportation market. We have obtained certain of this information and statistics from independent industry publications, third party studies, data bases and surveys, as set forth below:

- Official Airline Guide ("OAG") private data commissioned for information regarding:
    - Seat share per airline across geographies as of September 2024;
    - Frequencies by passenger and cargo at JFK and MIA as of September 2024;
- "Latin America's Most Connected Airports," OAG article, published October 2nd, 2024;
- World Bank Data is derived from:
    - World Development Indicators, population by country as of September 2024;
- IMF Data is derived from:
    - The IMF World Economic Outlook, GDP (current US$) as of September 2024;
- 2024 Global Market Forecast, open-source data by Airbus on trips per capita and passenger growth, published on July 12, 2024;
- 2024 – 2043 Commercial Market Outlook, open-source data by Boeing for demand of commercial airplanes, published on July 16, 2024;
- Departamento Administrativo Nacional de Estadística de Colombia ("DANE") open-source data on total population by cities for Colombia as of December 2023 as well as the report on the 2023 socioeconomic breakdown, published on July 26, 2024;
- Insitituto Nacional de Estadísticas y Censos del Ecuador ("INEC") open-source data on total population by cities as of December 2023;
- International Air Transport Association ("IATA") open-source data on RPKs published by IATA as of 2023;
- *Aeronáutica Civil de Colombia* - publicly available ranking of passengers mobilized in 2023 and cargo by ton in Colombia. Accessed in September 2024;

- *Junta de Aeronautica Civil de Chile - Estadísticas* publicly available official aviation statistics in Chile as of 2023. Accessed in September 2024;

- *Compendios - Corporación Peruana de Aeropuertos y Aviación Comercial S.A. - Plataforma del Estado Peruano* publicly available official data on aviation statistics in Peru as of 2023. Accessed on September 2024;

- *Aena Brasil Concessions* publicly available statistical data in Brazil published by Aena Brasil as of 2023;

- *Administración Nacional de Aviación Civil de Argentina* (ANAC) – *Estadísticas* – open-source official passenger traffic data, by airport, in Argentina published by ANAC as of 2023;

- *Infraero Aeroportos – Estatisticas*- open-source passenger traffic official data, by airport, published monthly, published by Infraero Aeroportos as of 2023;

- *Aeropuerto Internacional de Tocumen -Datos Abiertos de Panamá* open-source passenger traffic official data, by airport, published by Panama Open Data as of 2023;

- ComparaBus.com – publicly available commercial data on bus fares and bus route durations, accessed September 30th, 2024;

- *Ministerio de Transporte de Colombia* – Colombian Ministry of Transportation open-source dataset on passengers mobilized by road, waterways, and air transport on international and domestic routes, accessed on September 30th, 2024;

- Cirium data is derived from:

    - 2019 Cirium On-Time Performance Annual Review report, published in 2020;

    - 2022 Cirium On-Time Performance Annual Review report, published in 2023;

    - 2023 Cirium On-Time Performance Annual Review report, published in 2024;

- SITA 2024 Baggage Insights Report – publicly available data on mishandled baggage indices by airline, accessed in September 2024;

- United States Department of Transportation (DOT) – open-source dataset on passengers mobilized by road, waterways, and air transport on international and domestic routes, accessed on September 30th, 2024;

- Central Bank of Brazil (*Banco Central do Brasil*) open-source data payment method statistics, quantity of credit cards (*Quantidade de Cartões de Crédito)* accessed in September 2024;

- Central Bank of Chile (*Banco Central de Chile*) open-source data on banking system credit cards (*Tarjetas vigentes y con operaciones, por tipo de contrato*) accessed in September 2024;

- Federal Reserve Bank of New York – open-source data from the Center for Microeconomic Data on household debt and credit (Number of Accounts by Loan Type) accessed in September 2024;

- Colombian Financial Superintendency (*Superintendencia Financiera de Colombia*) open-source debit and credit card statistics (Reporte de Tarjetas de Crédito y Débito) accessed in September 2024.

Certain information for which no source is cited has been prepared by us on the basis of our knowledge of Latin American airline markets and other information available to us. The methodologies and terminologies used by different sources are not always consistent, and data from different sources are not readily comparable. In addition, sources other than us use methodologies that are not identical to ours and may produce results that differ from our own estimates. Although neither we nor the Dealer Managers and Solicitation Agents have independently verified

the information contained herein concerning competitive positions, market shares, market sizes, market growth or other similar data that is based upon third-party sources or industry or general publications, we consider these sources and publications to be generally reliable. Neither we nor the Dealer Managers and Solicitation Agents make any representation as to the accuracy or completeness of this information. Similarly, our in-house research and estimates, which we believe to be reliable, have not been independently verified by the Dealer Managers and Solicitation Agents and we cannot assure you that the information is accurate.

In addition, forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as other forward-looking statements in this Exchange Offer and Consent Solicitation Memorandum. These forecasts and forward-looking information are subject to uncertainty and risk due to a variety of factors, including those described in "Risk Factors." These and other factors could cause results to differ materially from those expressed in the forecasts or estimates made by the independent parties and by us.

Trademarks, Service Marks and Tradenames

We and our licensors have proprietary rights to trademarks used in this Exchange Offer and Consent Solicitation Memorandum, which are important to our business, many of which are registered under applicable intellectual property laws.

Solely for convenience, the trademarks, service marks, logos and trade names referred to in this Exchange Offer and Consent Solicitation Memorandum are without the ® and TM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names. This Exchange Offer and Consent Solicitation Memorandum contains additional trademarks, service marks and trade names of others, which are the property of their respective owners. All trademarks, service marks and trade names appearing in this Exchange Offer and Consent Solicitation Memorandum are, to our knowledge, the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks, copyrights or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

GLOSSARY OF TERMS

Except where the context otherwise requires or where otherwise indicated, (i) the terms "Avianca," the "Company," "Avianca Group," "we," "us," "our," "our company" and "our business" refer to the company named Avianca Group International Ltd., incorporated under the laws of England and Wales, together with its consolidated subsidiaries; and (ii) the terms "Issuer" and "Midco 2" refer to Avianca MidCo 2 PLC, incorporated under the laws of England and Wales and a wholy-owned indirect subsidiary of Avianca Group International Ltd.

Except where the context otherwise requires or where otherwise indicated, the following terms used in this Exchange Offer and Consent Solicitation Memorandum have the following meanings:

- "2022 Revolving Credit Facility" means the lenders' commitments under the revolving credit facility having an aggregate principal amount of up to $100.0 million, which was terminated on November 26, 2024, established under the Amended and Restated Credit and Guaranty Agreement, dated as of December 27, 2022 (as amended from time to time), by and among Aerovías as borrower, AGIL as a guarantor, the other guarantors party thereto, the lenders party thereto and Citibank, N.A., administrative agent and collateral agent.

- "A320 Family" means Airbus 320 family of aircraft, including A319, A320neo and A320ceo.

- "A330" means Airbus 330 aircraft.

- "AAC" means the Civil Aviation Authority of El Salvador (*Autoridad de Aviación Civil*).

- "Abra" means Abra Group Limited, a company incorporated under the laws of England and Wales and the sole shareholder of IV1L.

- "Abra Transaction" means the transaction, signed on May 10, 2022 and closed on April 3, 2023, by means of which our principal shareholders and the controlling shareholder of Gol entered into a master contribution agreement (as amended from time to time) to create an air transportation group across Latin America under a holding company structure named Abra Group Limited, bringing together the avianca and Gol brands under a single holding.

- "ACMI" means a leasing agreement through which a lessor provides aircraft, crew, maintenance, and insurance to a lessee.

- "Adjusted EBITDAR" has the meaning set forth under "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

- "Aerocivil" means the Civil Aviation Authority of Colombia.

- "Aerovías" means Aerovías del Continente Americano S.A. Avianca, our passenger airline operation in Colombia, and the borrower under our Revolving Credit Facility, which is a company incorporated under the laws of Colombia and our wholly-owned indirect subsidiary.

- "Aerovias Florida" means Aerovias del Continente Americano S.A. Avianca Corp., the U.S. Florida branch of Aerovías.

- "AG" means the Office of the Attorney General of Colombia (*Fiscalía General de la Nación*).

- "AGIL" means Avianca Group International Limited, a company incorporated under the laws of England and Wales, and our Parent Guarantor.

- "Aircraft Leases" means our aircraft and engine lease agreements that are accounted for in our condensed interim financial statements and our audited financial statements in accordance with IFRS 16. Under IFRS 16, (i) the right of use of an identifiable asset granted to us through a lease agreement is recorded as a right-of-use asset and (ii) a lease liability is recorded and represents the

present value of the minimum payments required under the lease agreement, in each case at lease inception within the consolidated statement of financial position.

- "Aircraft Utilization" means the average number of block hours operated per day per aircraft for an aircraft fleet.

- "ALTA" means the Latin American and Caribbean Air Transport Association (*Asociación Latinoamericana y del Caribe de Transporte Aéreo*).

- "ANAC" means the National Civil Aviation Agency of Brazil (*Agência Nacional de Aviação Civil*).

- "ancillary revenue" is a component of passenger operating revenue, and consists of revenue generated from ancillary services such as seats and upgrades, baggage, changes and fees, other air ancillaries and non-air ancillaries, which can be sold either with a ticket or on a standalone basis. For the avoidance of doubt, on-board sales of food and beverage are recorded in passenger services expenses, as a net of food and beverage expenses.

- "AOC" means air operation certificate.

- "ASKs" means aircraft seating capacity multiplied by the number of kilometers the seats are flown.

- "ATKs" means cargo ton capacity multiplied by the number of kilometers the cargo is flown (includes cargo flown in our freighters and utilizing belly of our passenger aircraft).

- "AVH" means Avianca Holdings S.A., the holding company of the Avianca Group prior to the Chapter 11 Proceedings.

- "AVH Debtors" means, collectively, AVH and its subsidiaries that, collectively, first filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York on May 10, 2020.

- "Avianca Costa Rica" means Avianca Costa Rica S.A., our passenger airline operation in Costa Rica, which is a company incorporated under the laws of Costa Rica and our indirect wholly-owned subsidiary.

- "Avianca Ecuador" means Avianca-Ecuador S.A., our passenger airline operation in Ecuador, which is a company incorporated under the laws of Ecuador and our indirect wholly-owned subsidiary.

- "Bankruptcy Code" means the U.S. Bankruptcy Code.

- "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York.

- "BCB" means the Central Bank of Brazil (*Banco Central do Brasil*).

- "block hours" means the time elapsed between an aircraft leaving an airport gate and arriving at an airport gate.

- "BOG" means El Dorado International Airport in Bogotá, Colombia.

- "Cargo and courier revenue" means revenue generated from shipping cargo and courier services using our freighter fleet and passenger aircraft bellies.

- "cargo yield" means the average revenue earned per unit of cargo transported, typically measured per ton. Cargo yield is calculated by dividing the total cargo revenue by the total weight of the cargo transported per flown kilometer.

- "CEIV" means the Center of Excellence for Independent Validators certification program for mastery of temperature-controlled, time-sensitive shipments that require special handling.

- "Chapter 11 Proceedings" means the Chapter 11 cases of the AVH Debtors in the Bankruptcy Court.

- "CMF" means the Chilean Financial Market Commission (*Comisión para el Mercado Financiero*).

- "codeshare alliance" means our codeshare agreements with other airlines with whom we have business arrangements to share flights. A seat can be purchased on one airline but a cooperating airline could actually be operating the flight under a different flight number or code. The term "code" refers to the identifier used in flight schedules, generally the two-character IATA airline designator code and flight number. Codeshare alliances allow access to a larger number of cities through a given airline's network without having to offer extra flights, and make connections simpler by allowing single bookings across multiple planes (which may be operated by different airlines).

- "Concurrent Offering" means the contemplated offering for cash by the Issuer to issue Refinancing Notes, as further described in "Summary—Recent Developments—Concurrent Offering of Refinancing Notes."

- "Core Markets" means Colombia, Central America (which for this purpose consists of El Salvador, Costa Rica and Guatemala), and Ecuador.

- "CORSIA" means the Carbon Offsetting and Reduction Scheme for International Aviation.

- "Credit Card Securitization Facilities" means the Taca Credit Card Securitization Facility together with the USAVFlow II Credit Card Securitization Facility.

- "CSC" means the Colombian Superintendence of Companies (*Superintendencia de Sociedades*).

- "Debt" means our Financial Indebtedness, together with our lease liabilities pursuant to our Aircraft Leases and real estate leases recorded on our statement of financial position, in accordance with IFRS 16, including the current portion.

- "DOT" means the United States Department of Transportation.

- "EASA" means the European Aviation Safety Agency.

- "Effective Date" means December 1, 2021, the date on which the AVH Debtors emerged from bankruptcy.

- "EPA" means the United States Environmental Protection Agency.

- "EU-ETS" means the European Union emissions trading system framework.

- "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

- "Exit Notes" means the Existing Notes together with the Tranche A-2 Senior Secured Notes.

- "FAA" means the United States Federal Aviation Administration.

- "Financial Indebtedness" means long-term debt, including the current portion, and short-term borrowings.

- "Fleet" means all of our aircraft owned or otherwise for which there are contractual obligations and responsibilities, including aircraft held pursuant to both long-term and short-term arrangements.

- "FRBNY" means the Federal Reserve Bank of New York.
- "GDP" means gross domestic product.
- "GDS" means a global distribution system such as Amadeus, Sabre and Travelport, used by travel agencies and corporations to purchase and sell tickets.
- "Gol" means Gol Linhas Aéreas Inteligentes S.A.
- "gross billings" means, for our loyalty business, consideration received or receivable from the sale of Miles, incentive payments and fees.
- "IASB" means the International Accounting Standards Board.
- "IATA" means the International Air Transport Association.
- "ICAO" means the International Civil Aviation Organization.
- "IFRS" means the International Financial Reporting Standards.
- "IMF" means the International Monetary Fund.
- "IV1L" means Investment Vehicle 1 Limited, an exempted company with limited liability incorporated in the Cayman Islands, which holds 100% of the issued and outstanding shares in the capital of AGIL
- "LCC" means low-cost carrier.
- "LifeMiles" means our loyalty program launched in March 2011.
- "LifeMiles Borrower" means LifeMiles Ltd., the borrower under our LifeMiles Credit Agreement, which is a company incorporated under the laws of Bermuda and is our indirect wholly-owned subsidiary.
- "LifeMiles Co-Borrower" means LifeMiles US Finance LLC, the co-borrower under our LifeMiles Credit Agreement, which is a company incorporated under the laws of Delaware and is our indirect wholly-owned subsidiary
- "LifeMiles Credit Agreement" means the credit agreement, dated as of August 30, 2021, as amended by the First Amendment, dated as of March 22, 2023, the First Incremental Facility Amendment, dated as of September 20, 2024 and as further amended from time to time, by and among LifeMiles Borrower, LifeMiles Co-Borrower, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent.
- "LifeMiles Credit Agreement Incremental Loan" means the term loan made by Barclays Bank PLC, as new term lender, under the First Incremental Facility Amendment, dated as of September 20, 2024, by and among, LifeMiles Borrower, LifeMiles Co-Borrower, Morgan Stanley Senior Funding, Inc., as administrative agent and Barclays Bank PLC, as new term lender.
- "load factor" means the percentage of aircraft seating capacity that is actually utilized and is calculated by dividing RPKs by ASKs.
- "Loyalty Revenue" means (i) Passenger Loyalty Revenue plus (ii) Other Loyalty Revenue.
- "Miles" means miles earned by loyalty customers by flying on our airlines or Star Alliance airlines, using the services of, or purchasing products from other program participants, such as co-branded

credit cards, hotel stays, car rentals and other activities, or purchasing Miles directly through various distribution channels.

- "OAG" means the Official Airline Guide, a global travel data provider.
- "OPAIN" means the operator of BOG (Sociedad Concesionaria Operadora Aeroportuaria Internacional S.A.).
- "Operating Fleet" means those aircraft in our Fleet that are active, capable of operating, and currently in operation.
- "Operating Income Margin" means (i) operating income divided by (ii) total operating revenue.
- "OTAs" means online travel agents.
- "other revenue" means revenue from charter services (which is included in passenger operating revenue) and revenue from line maintenance services and airport fees (which is included in cargo and other operating revenue).
- "Other Loyalty Revenue" means revenue from the sale of Miles by LifeMiles that is recognized when such Miles are redeemed for non-air commercial partner rewards (including estimated breakage).
- "OTP" means on-time performance and refers to an aircraft's arrival at the gate less than 15 minutes after its scheduled arrival time.
- "ownership cost" means all costs associated with the ownership of our Fleet (excluding those aircraft that are subject to short-term or variable rent leases) which includes right of use depreciation, interest and principal payments of liabilities pursuant to our Aircraft Leases and interest and principal payments of aircraft under financial leases.
- "Passenger CASK ex-fuel" has the meaning set forth in "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."
- "Passenger Loyalty Revenue" means revenue from the sale of Miles by LifeMiles that is recognized when such Miles are flown or redeemed, as applicable (including estimated breakage), plus incentive payments and fees, and revenue from VIP lounge entries.
- "passenger operating cost excluding fuel" has the meaning set forth in "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."
- "Passenger operating revenue" means (i) ticket revenue plus (ii) ancillary revenue, plus (iii) Passenger Loyalty Revenue plus (iv) other revenue.
- "PBH" means Power by the Hour and refers to a short-term agreement to pay for each hour of use of aircraft and/or engines.
- "Peer Airlines" means our Latin American Peer Airlines (comprised of Aeromexico, Azul, Copa, LATAM and Volaris) and our U.S. Legacy Peer Airlines (comprised of American Airlines, Delta and United).
- "Plan" means the AVH Debtors' joint plan of reorganization (as amended), which the Bankruptcy Court approved on November 2, 2021.
- "point-to-point routes" means routes that do not pass through our hubs (for the avoidance of doubt, a hub may be a point).

- “PRASK” means ticket revenues plus ancillary revenues divided by ASKs.

- “passenger yield” means the average amount one Revenue Passenger pays to fly one kilometer, which is calculated as passenger operating revenue divided by RPKs.

- “RAC” means the Colombian Aeronautical Regulations (*Reglamentos Aeronaúticos de Colombia*).

- “RASK” means operating revenue divided by ASKs.

- "Refinancing Notes” means the notes to be issued in the Concurrent Offering, as further described in “Summary—Recent Developments—Concurrent Offering of Refinancing Notes.”

- “Revenue Passengers” means the total number of paying passengers flown on all flight segments, with each connecting segment being considered a separate flight segment; for the avoidance of doubt, Revenue Passengers excludes employees who have purchased their tickets on a discounted basis.

- “Revolving Credit Facility” means the lenders’ commitments under the revolving credit facility having an initial aggregate principal amount of up to $200.0 million, which may be increased by an additional $100.0 million through an incremental facility, with a maturity date of November 26, 2027, established under the Credit and Guaranty Agreement, dated as of November 26, 2024, by and among Aerovias, acting through Aerovias Florida, as borrower, AGIL as a guarantor, the other subsidiary guarantors party thereto, the lenders party thereto and Citibank, N.A., as administrative agent and collateral agent.

- “RPKs” means Revenue Passengers multiplied by the number of kilometers the passengers are flown.

- “RTKs” means the total cargo tonnage uplifted multiplied by the number of kilometers the cargo is flown.

- “SAF” means Sustainable Aviation Fuels.

- “SAL” means El Salvador International Airport Saint Óscar Arnulfo Romero y Galdámez in San Salvador, El Salvador.

- “SEC” means the Securities and Exchange Commission.

- “Securities Act” means the Securities Act of 1933, as amended.

- “SFC” means the Colombian Financial Superintendence (*Superintendencia Financiera de Colombia*).

- “SIC” means the Colombian Superintendence of Industry and Commerce (*Superintendencia de Industria y Comercio*).

- “Spare Engines Facility” means the facility made available under the facility agreement, dated as of March 13, 2015 (as amended from time to time), by and among Bank of Utah, as owner trustee and borrower, AVH as ownership participant and guarantor, Aerovías and Taca, as guarantors, Credit Agricole Corporate and Investment Bank, as lender and administrative agent, Wells Fargo Bank Northwest, National Association, as security trustee.

- “Stage-length adjustment” refers to the method used to normalize unit metrics, such as CASK ex-fuel, across airlines or periods with differing average stage lengths (flight distances due to each of the company route networks) to make them comparable. In aviation, longer average stage lengths (longer flights) generally lead to lower unit cost (lower CASK) because fixed and departure-related expenses are distributed over greater flight distances. To make fair comparisons of CASK ex-fuel

across airlines or time periods with different stage lengths, the industry uses a standardized adjustment. The adjustment is performed by multiplying the base CASK ex-fuel metric by a quotient, where the numerator is the square root of the carrier's actual average stage length for a specific period, and the denominator is the square root of a standard (common) stage length. When comparing an airline's CASK ex-fuel with others, the common stage length is typically the average stage length during the observed period of the carrier that is being compared. While this method introduces consistency, it relies on judgment, and different observers may use varying assumptions when determining the common stage length.

- "Star Alliance" means the global airlines alliance, consisting of 26 member airlines.
- "Taca" means Taca International Airlines, S.A, our passenger airline operation in El Salvador, which is a company incorporated under the laws of El Salvador and our indirect wholly-owned subsidiary.
- "Taca Credit Card Flow Limited" means Taca Credit Card Flow Limited, a bankruptcy-remote orphan special purpose vehicle domiciled in the Cayman Islands.
- "Taca Credit Card Securitization Facility" means the loan agreement, dated as of March 4, 2022 (as amended from time to time), by and among, Taca Credit Card Flow Limited, as the borrower, Banco de Bogotá S.A., as administrative agent and collateral agent, and the lenders party thereto.
- "Taca Loans" means, collectively, the Taca Tranche A Loan and the Taca Tranche B Loan.
- "Taca Tranche A Loan" means the secured term loan in an aggregate principal amount of $126.2 million, with a maturity date of December 10, 2030, made under the Taca Credit Card Securitization Facility.
- "Taca Tranche B Loan" means the secured term loan in an aggregate principal amount of $14.0 million, with a maturity date of March 10, 2028, made under the Taca Credit Card Securitization Facility.
- "Tampa Cargo" means Tampa Cargo S.A.S., which is a company incorporated under the laws of Colombia and our indirect wholly-owned subsidiary.
- "ticket revenue" means revenue from ticket sales, including base fares, unused or expired credits, and other redeemed or expired credits.
- "Total Passengers" means the total number of passengers flown on all flight segments.
- "Tranche A-2 Senior Secured Notes" means the $583,870,633 aggregate principal amount of 9.000% Tranche A-2 Senior Secured Notes due 2028, issued by MidCo 2.
- "Transactions" means, collectively, (i) the consummation of this Offer and Solicitation, and (ii) the consummation of the Concurrent Offering and the use of the proceeds therefrom to redeem the Tranche A-2 Senior Secured Notes and repay the loans under the LifeMiles Credit Agreement in full.
- "TSA" means the United States Transportation Security Administration.
- "UAEAC" means the Unidad Administrativa Especial de Aeronáutica Civil, a division of Aerocivil.
- "U.K. Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.
- "UK-ETS" means the United Kingdom emissions trading system framework.

- "ULCC" means ultra low-cost carrier.

- "USAVFlow II" means USAVFlow II Limited, a bankruptcy-remote orphan special purpose vehicle incorporated and registered under the laws of the Cayman Islands.

- "USAVFlow II Credit Card Securitization Facility" means the loan agreement, dated as of September 10, 2024, by and among, USAVFlow II, as the borrower, AGIL and Avianca Costa Rica, as guarantors, Deutsche Bank Trust Company Americas, as administrative agent and collateral agent, and the lenders party thereto.

- "USAVFlow II Loan" means the secured term loan in an aggregate principal amount of $200.0 million, which may be increased by up to $125.0 million through an incremental facility, with a maturity date of September 10, 2029, made under the USAVFlow II Credit Card Securitization Facility.

- "VFR" means visiting friends and relatives.

- "Wamos Air" means Wamos Air, S.A., a company incorporated and registered under the laws of Spain, in which Midco 2 indirectly holds a 49.97% voting interest and a 99% economic interest.

- "Wamos Facility" means the lenders' commitments under the Facility Agreement, dated as of December 31, 2024, by and among Wamos Air, as borrower, Wav Air Holdings S.L., as the borrower parent, the guarantors party thereto, the lenders party thereto, Alter Domus Agency Services (UK) Limited, as agent, and Alter Domus Trustees (UK) Limited, as security agent, having an initial aggregate principal amount of €22.0 million, with, subject to the completion of certain customary conditions precedent, a delayed draw in the amount of €14.0 million, and with a maturity date that is five years after the initial disbursement of the loan, which occurred on January 6, 2025.

SUMMARY

This summary highlights selected information contained elsewhere in this Exchange Offer and Consent Solicitation Memorandum. Because it is only a summary, it does not contain all of the information that is important to you. You should read the entire Exchange Offer and Consent Solicitation Memorandum carefully, especially "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations", and the consolidated financial statements and notes thereto included elsewhere in this Exchange Offer and Consent Solicitation Memorandum, before deciding whether or not to participate in this Offer and Solicitation.

Overview

We are a leading group of airlines providing passenger air travel, loyalty and cargo services in South America, Central America, North America and Europe. With our history dating back over 100 years, we believe we are the world's second-oldest air carrier currently in operation.

Throughout our history, we have grown our footprint through the acquisition of airlines in various countries, allowing us to provide broad geographic coverage and connectivity in a region that does not have unified air transport regulation. Today, the *avianca* brand comprises passenger airlines formerly known as TACA (in El Salvador), Lacsa (in Costa Rica), Aviateca (in Guatemala), and Aerogal (in Ecuador), as well as the cargo carrier formerly known as Tampa (in Colombia) and the cargo carrier Aerounion in Mexico, which still operates as Aerounion (in which we hold the majority of the economic interests).

Together, these operations make Avianca the leading airline in Colombia and Central America, operating over 700 daily scheduled flights to 76 destinations in South America, Central America, North America and Europe across 152 routes as of September 30, 2024 (up from 124 and 147 as of year-end 2019 and 2023, respectively) and providing access to over 195 countries through our Star Alliance partners. In Colombia, we are the leader in passenger air travel, with an overall 54% seat share and an even higher seat share of 59% at BOG in Bogotá, the airport with the second-highest passenger count in South and Central America and recognized by OAG as the most connected airport in Latin America, in each case during the twelve months ended September 30, 2024. We transported over 37 million Total Passengers and generated close to 62 billion ASKs during the twelve months ended September 30, 2024, and we believe our Core Markets, which enjoy a convenient tropical location, have a fast growing population, increasing GDP per capita, and are significantly underpenetrated, offer important growth opportunities that we are well-positioned to capture with our domestic, regional, and international flights, including long-haul wide-body service.

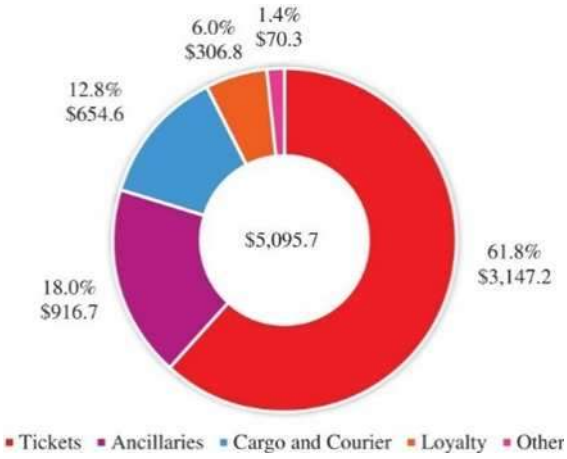
Our cost-efficient business model features the fundamental elements of an LCC with key enhancements to also appeal to premium customers, including business class service on selected routes. Our business model allows us to carefully tailor our offering, enabling us to grow our diverse passenger base, drive sales, expand margin, achieve profitability and generate strong cash flow, while ensuring that we remain a low-cost provider of air transport services and thus reduce our commercial risk. We operate a core passenger business, with an Operating Fleet, as of September 30, 2024, of 146 passenger aircraft that features a narrow-body Operating Fleet of 132 A320 Family aircraft, which we use across all of our routes in the Americas, and a wide-body Operating Fleet of 14 Boeing 787 aircraft (with 13 full-flat and one lie-flat business class seating), which we use principally across 11 long-haul international routes.

We also operate complementary businesses that provide further scale and enhance our overall profitability: LifeMiles, our award-winning loyalty program, is one of the largest in Colombia and Central America, with 14.0 million members, over 300 commercial partners, and 532,000 active co-branded credit cards as of September 30, 2024; and our cargo operation, which is the largest in Colombia and second largest in Latin America, deploys an Operating Fleet of seven freighters (as of September 30, 2024) and synergistically utilizes belly capacity in our passenger aircraft.

In October 2024, we acquired a majority of the economic rights of Wamos Air, a leading Spain-based airline that offers charter and ACMI services with a fleet of 13 A330 aircraft. The Issuer indirectly holds 49.97% of the voting rights and 99% of the economic rights of Wamos Air. As a result, we do not control Wamos Air, which continues to operate independently, subject to a shareholders' agreement that includes certain minority investor protections for the Avianca Group. These protections include the right to appoint two of the company's three directors, one of which shall be independent. The Issuer also retains consent rights over key actions including, but not limited to, (i) changes

to the company's organizational documents, corporate form and board composition, (ii) any merger, spin-off, or similar transaction, (iii) changes to the company's securities, including, but not limited to, new issuances of shares and/or bonds, sale of treasury shares or the creation or elimination of securities, (iv) acquiring or investing in any other airline, (v) transactions involving the company's shareholders, and entering into contracts that restrict shareholders' ability to transfer their shares, (vi) the distribution of dividends, and (vii) dissolution of the company. Wamos Air complements our strategic network by providing optionality to expand Avianca's existing global footprint, which we expect to utilize to further facilitate European connectivity. It also diversifies our revenue base with a profitable ACMI platform that generated €216.6 million in revenue and served over three million passengers across 87 countries, in each case in 2023.

In aggregate, our businesses (not including Wamos Air) generated $5.1 billion in total operating revenue in the twelve months ended September 30, 2024, as follows (dollars in millions):



Our cost-efficient business model is the result of Avianca's transformation since the COVID-19 pandemic. Given the unprecedented impact of the pandemic on the airline industry, we filed for bankruptcy under Chapter 11 in May 2020. When we successfully emerged in December 2021, we benefitted from a significantly stronger financial position, having sustainably lowered our operating costs, significantly reduced our debt and meaningfully increased our liquidity. We optimized our hubs and also expanded our network through additional point-to-point flights across the most highly trafficked routes in our Core Markets. We upgraded and simplified our Fleet and densified our cabins. In addition, we modified our product offerings to be more tailored, allowing us to better serve both low-fare passengers who seek accessible pricing and premium passengers, including business travelers, who value our on-time service, frequencies across our network and our loyalty program. We also transformed our workplace and culture, reinvigorating our operations across all functions, from ticket sales to crew management.

As part of our transformation which began in 2019, we have successfully implemented (and will continue to implement) a number of key strategic initiatives related to our Fleet, network, product offerings and pricing, distribution model, customer engagement and employees, to drive sustainable profitability by increasing operational and capital efficiency and reducing complexity. These initiatives generated approximately $474.0 million in recurring annual cost savings as of 2023, resulting in an approximately 37% reduction in our Passenger CASK ex-fuel from 6.2¢ in 2019 to 3.9¢ in 2023, and include, among others:

- *modernizing and densifying the cabin*—we reconfigured the cabin on our narrow-body aircraft to increase the number of available seats by approximately 20% while maintaining three rows of premium product. We fitted the cabins with the latest in lightweight materials and technology. This reduced our Passenger CASK ex-fuel between 2019 and 2023 by 0.57¢. We also began reconfiguring our wide-body aircraft in April 2024 to increase the number of available seats by approximately 16% while maintaining a full-flat business class, and plan to complete the reconfiguration of our wide-body Fleet during the first half of 2025;

- *optimizing our Fleet*—we streamlined our narrow-body Fleet to comprise only A320 Family aircraft, eliminating two narrow-body aircraft types. Similarly, we reduced and streamlined our wide-body Operating Fleet from 25 aircraft to 13 aircraft at the end of 2023. Our passenger Operating Fleet as of September 30, 2024 is comprised of 132 narrow-body and 14 wide-body aircraft, with an average age of approximately 9.0 years. Simplifying our Fleet has enabled us to optimize procurement, maintenance and training processes. We also renegotiated substantially all of our Fleet contracts to achieve more favorable terms for the remainder of our expected use of the aircraft, including preferred maintenance costs agreements with over 70% of our Fleet remaining competitive through 2030. These initiatives resulted in reducing our ownership cost per aircraft of our narrow-body Fleet by 23.3% and our wide-body Fleet by 45.0%, in each case from December 31, 2019 to December 31, 2023, and an attractive order book. Altogether, this reduced our Passenger CASK ex-fuel between 2019 and 2023 by 0.34¢;

- *improving utilization by redesigning the route network*—by redesigning our route network we significantly increased our Aircraft Utilization rate by 26%, from 9.1 block hours per day in December 2019 to 11.5 block hours per day in December 2023, currently at 11.4 block hours per day in the twelve months ended September 30, 2024. Increased utilization reduced our Passenger CASK ex-fuel between 2019 and 2023 by 0.22¢;

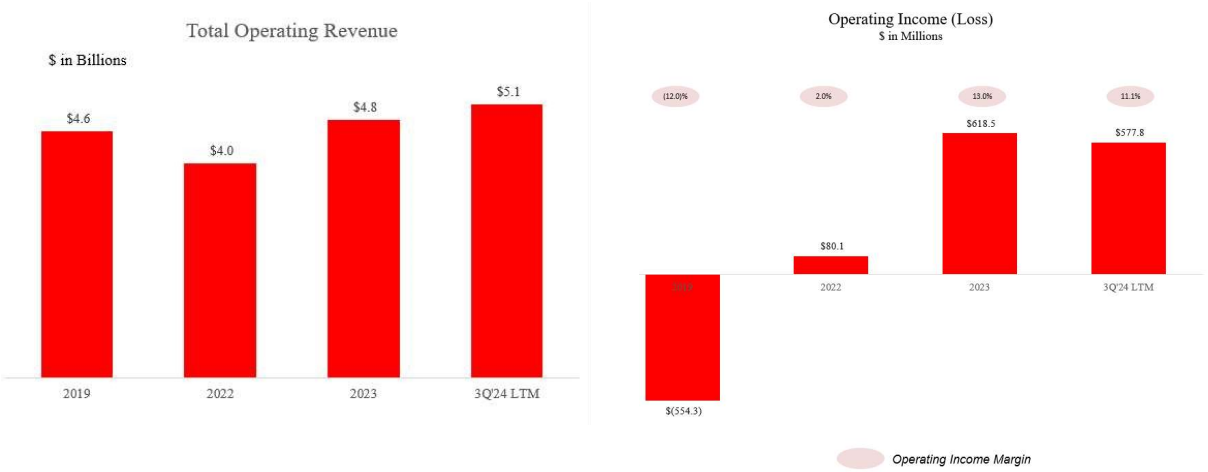
- *executing several cost reduction initiatives*—which together resulted in a reduction of our Passenger CASK ex-fuel between 2019 and 2023 of 0.86¢, and included:

    - *implementing an unbundled strategy*—we unbundled fares to expand our relevance to all persons travelling by air and promoted our new strategy by unveiling our new motto, "*the sky belongs to everyone*". By allowing our customers to pay for just what they value, we foster broader access in our markets to our services. As part of our new unbundled strategy, we implemented a buy-on-board program for passengers to purchase food and beverages during the flight;

    - *optimizing our distribution model*—we shifted the focus of our distribution model to direct channel to maximize revenue at reduced selling costs, thereby increasing the percentage of sales through direct channels from 33.0% in 2019 to 59.0% in 2023. We also renegotiated agreements with distribution partners to not only obtain more favorable terms but also incentivize sales of higher value tickets, thereby improving our margins on sales through indirect channels; and

    - *increasing our productivity*—by redesigning processes and improving efficiency across all areas of the Company, we've successfully increased our productivity (measured in ASKs relative to number of employees) by approximately 52%. Notably, while deploying approximately the same amount of ASKs (54.7 billion in 2023 compared to 54.4 billion in 2019), we've reduced our headcount by approximately 34%, with 13,652 full-time employees as of December 31, 2023 as compared to 20,642 employees as of December 31, 2019. Meanwhile, our voluntary turnover rate has decreased significantly from 9.4% in 2022 to 3.2% during the first nine months of 2024, and we currently retain 92% of talent.

As a result of our transformed business model, we have significantly improved our financial performance, as demonstrated in the comparison of 2019, 2022, 2023 and the twelve months ended September 30, 2024 set forth below (we present 2019 figures herein and elsewhere in this Exchange Offer and Consent Solicitation Memorandum to improve year-to-year comparability, considering that 2019 was the last full year prior to the outbreak of the COVID-19 pandemic in 2020 and our bankruptcy reorganization in 2021):



Today, we focus our passenger operation on profitability, including by eliminating unprofitable routes, adding new routes that we believe will be profitable and continuously monitoring the uptake on our routes and making adjustments. We are committed to consistently delivering on our customer promise of safe, reliable, affordable, friendly and hassle-free service. We focus LifeMiles on continuing to strengthen its value proposition in a cost-efficient manner and continuing to provide accrual and redemption offerings tailored to match the demands of our loyal members. We focus our cargo operation on a clearly defined product offering with high levels of service designed to satisfy customer needs. We believe our transformed business model improves our resiliency through economic cycles and provides the foundation for sustainable profitability.

Air Travel in Our Core Markets

While the aviation market in each of our Core Markets has proven resilient and has experienced significant growth in passengers relative to GDP growth, we believe that our Core Markets continue to have significant potential for growth. Our Core Markets not only benefit from favorable long-term macroeconomic trends but also remain underpenetrated with respect to both air travel and credit card use. We believe we are well-positioned to capture these significant growth opportunities. Specifically in Colombia, we believe our growth opportunity has been further amplified by the halt of operations of former Colombia-based ULCCs Viva Air ("Viva") and Ultra Air ("Ultra"), which both entered liquidation proceedings in 2023, resulting in unserved passengers, particularly in Medellín where both airlines were based. In addition, Aerocivil granted some of the slots at BOG previously occupied by Viva and Ultra to us, further strengthening our position at our BOG hub, which, combined with the incremental operation declared by Aerocivil at BOG starting in the winter season commenced in October 2023, led us to strengthen our leading position in domestic flights in Colombia. For the nine months ended September 30, 2024, we operated 8.98 billion ASKs in domestic flights in Colombia, a 29.0% increase relative to the same period in 2023, reinforcing our commitment to Colombia's connectivity.

Our Core Markets, with an aggregate population of nearly 100 million, often have challenging terrain conditions with weak highway connectivity and limited-to-no rail or waterway connectivity. As a result, flying is often the more efficient and secure—and in some cases the only—mode to meet basic transportation needs in the regions we serve. We believe that flying with us can in many instances significantly reduce travel time at relatively little incremental cost. For example, in Colombia, an approximately 450 km trip between Bogotá and Medellín takes a median of 10 hours and 30 minutes by bus with a median fare of $27 dollars, while flying takes less than an hour with a median quoted fare of $58 dollars (including taxes). Similarly, an approximately 1,000 km trip between Bogotá and Barranquilla takes a median of 20 hours by bus with a median fare of $64 dollars, while flying takes approximately

1 hour and 5 minutes with a median quoted fare of $64 dollars (including taxes). As a result of both a fast-growing middle-class, which has grown 31% between 2012 and 2023 compared to 14% growth in total population during the same period (based on data from DANE), coupled with lower fares, Colombia has seen an increase of 76% in domestic air travel and a decrease of 48% in road passengers between 2012 and 2023 (based on data from the Ministry of Transportation). In Central America, the alternatives to connect passengers outside of the region—by road via the Interamerican Highway or by water—are significantly less convenient, safe and efficient. In Ecuador, the most popular tourist destination—the Galapagos Islands—is accessible to tourists only by air. Furthermore, our Core Markets enjoy a convenient tropical location, creating shorter legs in connecting transcontinental and intercontinental flights out of the region, with legs under 6 hours in the Americas and under 10 hours from the Americas to Europe, making us a preferred carrier connecting South and Central America with the world.

Moreover, macroeconomic conditions in our Core Markets are favorable. In 2023, Colombia, Central America and Ecuador saw GDP growth of 0.6%, 5.1% (on a weighted average basis) and 2.3% respectively, according to reported or estimated numbers by the IMF. We believe this stable GDP growth implies a growing passenger base due to increased consumer spending. Moreover, based on forecasts from the IMF, the GDP per capita in our region is expected to grow 4.6% on an annualized basis between 2023 and 2028, compared with Mexico, Brazil, the European Union, and the United States growing 5.6%, 5.4%, 3.6% and 3.6%, respectively. Total GDP in Colombia, Central America, and Ecuador is projected to grow annually at 2.5%, 3.5% (on a weighted average basis) and 1.5%, respectively, for the next five years. Furthermore, according to the World Bank, our Core Markets are set to experience a relatively rapid population growth, with 0.8% annualized growth rate from 2023 to 2028, while Mexico, Brazil, the United States, and the European Union are set to grow 0.7%, 0.5%, 0.5%, and - 0.2%, respectively. Since passenger demand for air travel is highly dependent on macroeconomic conditions and population growth, we believe that these favorable trends in our Core Markets will support further growth of their respective aviation markets.

Notwithstanding the strong recovery and favorable macroeconomic conditions discussed above, the number of trips per capita remains low relative to other aviation markets. This suggests ample room for further growth, including by expanding routes to and from El Salvador, which has experienced very favorable domestic economic and social conditions in recent years, and Costa Rica, which remains a strong leisure destination. According to Airbus Global Market Forecast, trips per capita for Colombia, core markets in Central America and Ecuador were 0.7x, 0.2x (on a weighted average basis) and 0.3x, respectively, in 2023, compared to the United States and the European Union with 2.1x and 1.6x, respectively. While relatively low, trips per capita are projected to increase in Colombia, core markets in Central America, and Ecuador to 1.6x, 0.3x (on a weighted average basis) and 0.6x, respectively, by 2043, but remain relatively underpenetrated when compared to the United States and the European Union with 2.9x and 2.8x, respectively. This would equate to approximately 69.1 million new passengers across our Core Markets, going from approximately 50.5 million passengers in 2023 to 119.5 million passengers in 2043. Our Core Markets remain similarly underpenetrated relative to those of other developed and emerging economies with respect to credit cards per capita, which we believe provides ample opportunity for LifeMiles to increase its customer base. In 2023, our most relevant Core Market, Colombia, had an average number of credit cards per adult of approximately 0.4x (based on data from the SFC and the World Bank), compared to approximately 0.8x, 1.2x and 2.2x, in Chile, Brazil and the United States, respectively (based on data from the CMF, the BCB, the FRBNY, and the World Bank).

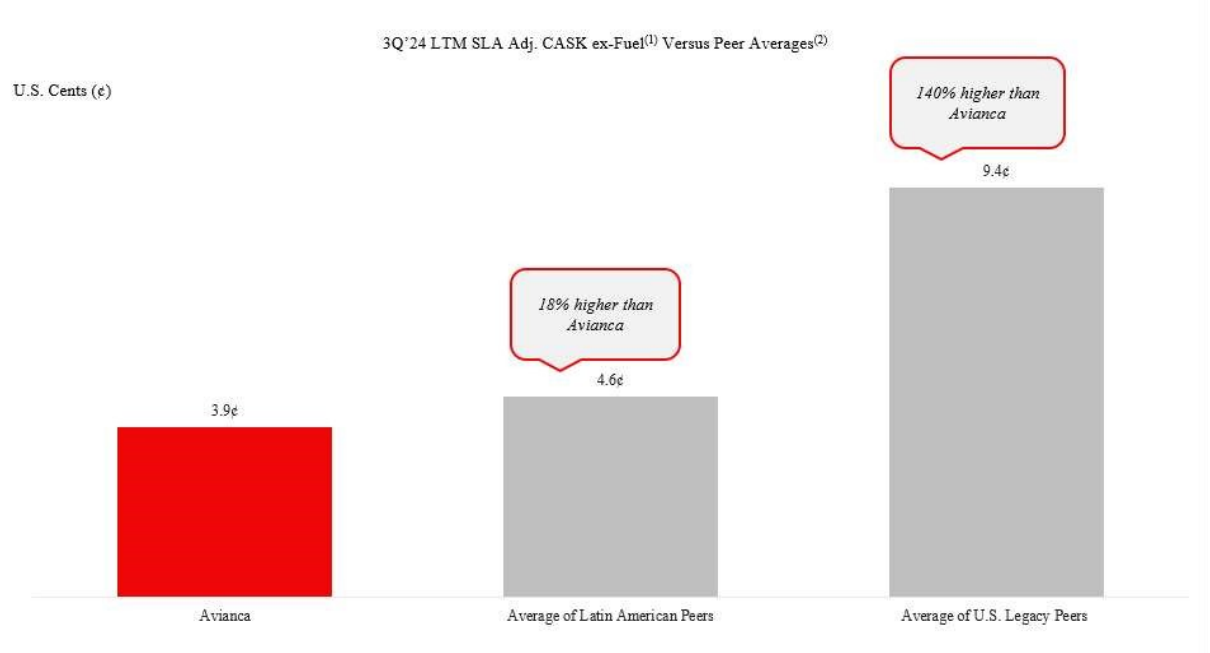
Our Competitive Strengths

We believe that the following key strengths position us as the airline of choice in our Core Markets and a strong competitor in international aviation markets.

Sustainable optimized cost structure creates competitive advantages

We have structurally transformed our business model with a disciplined approach to CASK. Since our reorganization, we have implemented a number of strategic initiatives to achieve sustainable cost-efficiency, as described above. Our cabin modernization and reconfiguration, fleet optimization, route network redesign, distribution model optimization, unbundled fare strategy and heightened workforce productivity have achieved a more efficient cost structure and improved margins. For example, from 2019 to the twelve months ended September 30, 2024, we decreased our Passenger CASK ex-fuel by approximately 37%, lowering it from 6.2¢ to 3.9¢, which is lower than the average twelve months ended September 30, 2024 CASK ex-fuel (or the equivalent similarly titled measure)

of our Latin American Peer Airlines and our U.S. Legacy Peer Airlines on a stage-length adjusted basis by 18% and 140%, respectively, as shown below.



Source: Public company filings

(1) For a reconciliation of total operating expenses to Passenger CASK ex-fuel, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data." We derived CASK ex-fuel (or the equivalent similarly titled measure) for our Peer Airlines directly from publicly available information for each Peer Airline. Peer Airlines' figures are adjusted to our average stage length during the twelve-month period ended September 30, 2024, of 1,280 kilometers, using each carrier's scheduled average stage length for the period. SLA CASK ex-Fuel = CASK ex-Fuel * (Carrier average stage length / 1,280) ^ (0.5). Stage-length adjustment is a method used in the airline industry to normalize units metrics such as CASK ex-fuel across airlines or periods with differing stage lengths (flight distances), to make them more comparable. However, this method relies on judgment, and different observers may use varying assumptions when determining the common stage length. Passenger CASK ex-fuel is not determined in accordance with IFRS. There is a high degree of variability among the methods of calculating CASK ex-fuel (or the equivalent similarly titled measure) for each of our Peer Airlines. Therefore, Passenger CASK ex-fuel should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS.

(2) Average of Latin American Peers includes Aeromexico, Azul, Copa, LATAM and Volaris and Average of U.S. Legacy Peers includes American Airlines, Delta and United.

Consequently, while we incurred an operating loss in 2019, we generated an Operating Income Margin of 11.1% during the twelve months ended September 30, 2024.

Leading strategic position in Latin America's second largest airport

Our largest hub is BOG (the El Dorado Airport in Bogotá, Colombia), the airport with the second-highest passenger count in South and Central America with 39 million passengers in 2023—only 1 million fewer passengers than São Paulo, Brazil (GRU), the region's most highly trafficked airport, and approximately 1.7x the number of passengers as the next most relevant airport. BOG, which represented 42% of total traffic in Colombian airports in 2023, connects with 22 domestic destinations and 36 international locations. With its strategic geographic location and recognized by OAG as the number one connecting hub in Latin America, we leverage BOG to facilitate and maximize transcontinental connectivity to South and Central America. We had the largest seat share in BOG during the twelve months ended September 30, 2024, 59%, which was 2.7x that of the next largest competitor.

Geographically diversified and expansive route network with a profitable mix of hub and point-to-point routes offers compelling flight options to our customers

In addition to our leading position in BOG, we also have a leading presence across Colombia with leadership in the major cities, including those where we fly internationally such as Medellín (MDE), Cartagena (CTG), Cali (CLO), Barranquilla (BAQ) and Pereira (PEI). Beyond Colombia, we had the largest seat share during the twelve months ended September 30, 2024, with 63%, in our second hub, El Salvador in San Salvador (SAL). SAL serves as a convenient point of connectivity that allows us to facilitate cross-border travel across Central America and between Central America and North and South America and Europe. We also have a leading presence in Quito, Ecuador (UIO).

We offered service to 76 destinations, including every major city in Colombia and over 26 countries in the Americas and Europe as of September 30, 2024. Our optimized route network and cost structure allow us to profitably serve routes that our competitors do not. Additionally, our long-haul service allows us to connect South and Central America with Europe, where we deploy (based on origin and destination) approximately 20% of our ASKs, and North America, where we deploy approximately 35% of our ASKs, through a hub network that includes leading positions at some of the most important airports in the region. For the twelve months ended September 30, 2024, we are the largest non-US carrier by frequencies (including cargo) at John F. Kennedy International Airport (JFK) and the second largest non-US carrier by frequencies (including cargo) at Miami International Airport (MIA), according to DIIO. The rest of our capacity (as measured in ASKs and based on origin and destination) is deployed 17% in domestic Colombia, 18% in South America excluding domestic Colombia, 7% in Central America, and 3% in the Caribbean. When connecting our Core Markets with Europe, we are the only Latin American airline to compete head-to-head with European carriers, holding the second largest seat share in this market with 27%.

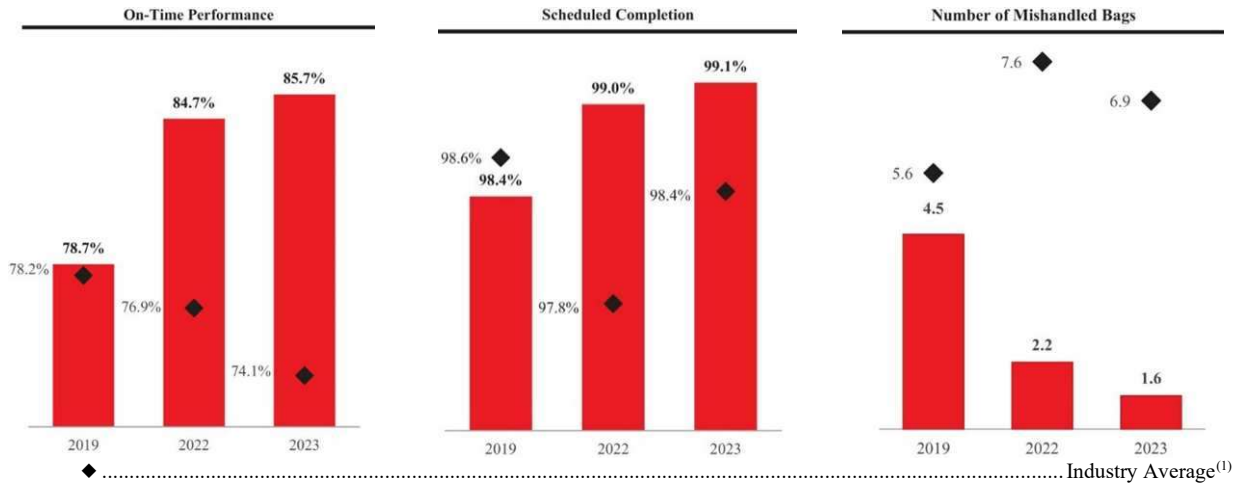
The map below shows our passenger route network as of September 30, 2024:

Our Core Markets are significantly underpenetrated and highly dependent on air connectivity, and as the leading airline in these markets, we are positioned to benefit from growth in air travel in these markets.

Industry-leading operational excellence and a compelling value proposition drive increased customer satisfaction and loyalty

We offer excellent service to passengers traveling to, from and within South America and Central America. We are proud to have been awarded recognition by Cirium as the most on-time global airline in 2023. Our OTP of 85.7% ranked ahead of global and regional airlines such as American Airlines, Delta Air Lines, Iberia, LATAM Airlines and Qatar Airlines. Similarly, we are proud to have achieved in 2023 an industry-leading scheduled completion rate of 99.2%, and a mishandled bag rate of only 1.6 mishandled bags per 1,000 passengers, well below

the industry average of 6.9 in 2023, according to SITA, each significant improvements since 2019 and each superior to the average rate for the industry, as shown in the graphs below:



Source: On-Time Performance and Scheduled Completion as per Cirium, Number of Mishandled Bags based on Company information and SITA.

(1) The industry average for On-Time Performance and Scheduled Completion considers Global Network Airlines as per Cirium's On-Time Performance data for 2019, 2022, and 2023, while Mishandled Baggage industry average is as per SITA's methodology.

We also offer a compelling value proposition to drive customer satisfaction and loyalty. Specifically, we provide a quality customer experience at affordable fares that are selected by our passengers to personalize their travel experience according to the level of service they are seeking. We offer three classes of cabin service, including full-flat and lie-flat business class seats on most of our widebody aircraft and reclining business class seats in selected routes serviced with narrow-body aircraft, and we provide a compelling value proposition to enhance customer satisfaction and loyalty, offering quality experiences at affordable fares that allow passengers to personalize their travel according to desired service levels. Our cabin services are divided into two classes with differentiated fare structures and ancillaries, enabling customers to pay only for what they value. Narrow-body aircraft feature a Business cabin on some routes within the Americas with premium seating, snacks, meals, and amenities, while the Economy cabin offers two seating types: Plus and Economy. Wide-body aircraft provide a Business cabin with mostly full-flat and certain lie-flat seats and enhanced amenities for transcontinental long-haul travel, as well as lie-flat or reclining seats on select American routes and an Economy cabin with Plus and Economy seating options. Simply put, our differentiated fare structure allows customers to pay for just what they value. In addition, we provide point-to-point service to and from multiple major destinations within South America and Central America, and to and from South and Central America to North America and Europe, as well as robust flight scheduling options that allow passengers to travel when they want at convenient schedules. Furthermore, we believe that our order book of 113 A320 Family aircraft which includes up conversion options and contractual deferral rights, along with options to acquire 25 additional aircraft, will allow us to replace and modernize our existing Fleet and facilitate network growth at favorable prices. For more information about the terms of these purchase agreements, see "Management's Discussion and Analysis of Results of Operations—Liquidity and Capital Resources—New Aircraft and Engine Purchases."

We further provide our passengers with access to flights to additional destinations across the globe through codeshare agreements with a number of the largest airlines in the world. Our membership in Star Alliance, a global alliance of 25 airlines and Skytrax's World's Best Airline Alliance for 2023, also improves the overall customer experience for our passengers by providing a broader network, greater connectivity, improved schedule options at diverse price points, loyalty program reciprocity and shared VIP lounge access, in addition to the three international VIP lounges and eight domestic terminal lounges that we operate.

Award-winning loyalty program with valuable co-branded partnerships positioned to capture market growth

LifeMiles, our award-winning, wholly owned loyalty program, is one of the largest (in terms of members) and most recognized loyalty programs in Latin America, particularly in our Core Markets. We had 14.0 million members as of September 30, 2024. We believe our program's scale, network and attractive value proposition make it a loyalty provider of choice for our over 300 commercial partners, including over 100 financial partners, which represented 58% of our gross billings for the twelve months ended September 30, 2024.

We had approximately 532,000 active co-branded credit cards as of September 30, 2024, with nearly all of the leading banks in our Core Markets, including many of the largest financial institutions in each respective country. For the majority of the financial partners with whom we offer co-branded credit cards, we are the exclusive airline-based co-branded credit card partner. Our co-branded credit cards collectively generated over 13% of the credit card payment volume in Colombia in 2023. Our gross billings from co-branded credit card partnerships were $103 million for the twelve months ended September 30, 2024.

We maintain an extensive network of third-party accrual and redemption partners, including some of the world's largest airlines (e.g., Star Alliance carriers, United, Lufthansa, and Gol, among others), representing 16% of our gross billings, hotel portfolios (e.g., Marriott, IHG, Wyndham, Barceló, booking.com and hotels.com, among others), and well-known retail brands (e.g., Adidas, Totto, Attenza, Bosi, Unicomer and Rappi, among others), which combined represent roughly 2% of our gross billings, in each case for the twelve months ended September 30, 2024. Since 2012, LifeMiles is the only Latin American loyalty program to have won a Freddie Award, the most prestigious member-generated award in the travel loyalty industry. In addition to our 14 Freddie Awards, we have also won six Global Traveler Awards.

LifeMiles is a high-margin business, which increases our profitability and diversifies our sources of revenue. In addition, LifeMiles benefits from minimal capital expenditures and favorable working capital dynamics, which allow us to act quickly on market opportunities. LifeMiles also offers us an attractive cash flow cycle, receiving cash inflows from the sale of Miles well in advance of the cash outflows corresponding to the redemption of those Miles.

Our cargo operation, the largest in Colombia and second-largest in Latin America, contributes to our profitability and diversifies our sources of revenue

Our cargo operation, the largest in Colombia and the second-largest in Latin America, serves more than 60 destinations in over 30 countries in the Americas and Europe, deploys an Operating Fleet of seven freighters (as of September 30, 2024) and synergistically utilizes the belly of our passenger aircraft. We typically operate an average of 304 daily frequencies, comprising 279 passenger belly operations and 25 dedicated cargo flights. Our cargo operation contributes to our increased profitability and diversifies our sources of revenue.

Over the past two years, we have transformed our cargo operation market strategy from opportunistic to a targeted long-term offering with a clearly defined product based on four pillars: an optimized network and Fleet, a strong customer value proposition, improved infrastructure and processes and a focus on cost-efficiency. We have redesigned our network and expanded our freighter Fleet to incorporate three additional A330 passenger-to-freighter converted aircraft that will be added in the second half of 2024 and in 2025, of which we added the first in July 2024, resulting in a capacity increase of 60% in our Mexican operations. We are focused on delivering high levels of service that satisfy our customers' needs, including strong customer service support and a 24/7 booking center, an improved payment experience with new online solutions and simplified billing processes, as well as modern warehouses and digital infrastructure enhancements to ensure seamless processes.

We proudly hold the distinction of being the first airline in the Americas to achieve IATA's four CEIV certifications: Pharma, Fresh, Live Animals and Lithium Batteries. Additionally, we were recognized as a top global leader in air cargo logistics for perishables handling by STAT Times, received the ESG Award from the Aviation Achievement Awards in 2023 and were recognized as the Best Cargo Airline in the Americas by Air Cargo News in 2024.

The map below shows our cargo route network as of September 30, 2024.

Profitable growth, meaningful cash flow generation and de-leveraged balance sheet

We have significantly enhanced our operating performance over the last several years as a result of our business transformation, including the sustainable cost initiatives described above. From 2019 to the twelve months ended September 30, 2024, we increased operating revenue by 10.3% and we increased operating income from a loss of $554.3 million to an income of $577.8 million. Our Operating Income Margin was 11.1% for the twelve months ended September 30, 2024, which was a 23.1 percentage points increase from the Operating Income Margin in 2019 and one of the highest among our Peer Airlines. We also generated meaningful cash flow from operations. In 2019, we generated $448.3 million in net cash provided by operating activities, and for the twelve months ended September 30, 2024, we generated $1,006.5 million in net cash provided by operating activities.

We have significantly improved our ratio of long-term debt (including current portion), short-term borrowings and long-term lease liability (including current portion) minus cash and cash equivalents and short-term investments to Adjusted EBITDAR to 3.43x in the twelve months ended September 30, 2024. At September 30, 2024, we had $913.9 million of cash and cash equivalents (including $19.6 million of restricted cash) and $208.4 million of short-term investments, which collectively represents $1,122.3 million, or 22.0% of our total operating revenue for the twelve months ended September 30, 2024. See "Management's Discussion and Analysis of Results of Operations—Liquidity and Capital Resources."

Experienced management team with proven track record and company culture to support growth

Our experienced management team, with an average of 17 years of aviation industry experience, is dedicated to driving operational and financial excellence across the Avianca Group. Frederico Pedreira, our Chief Executive Officer and President, has 16 years of experience in the airline industry and has been instrumental in steering our business' transformation since joining us as Chief Operating Officer in 2021. His leadership has redefined our value proposition, streamlined operations, and optimized fleet structure, ensuring safe, punctual flights and enhancing overall efficiency. Mr. Pedreira has extensive experience across key leadership roles in the airline industry, focusing on business transformation and operational excellence. Mr. Nicolás Alvear, our Chief Financial Officer, brings nearly eight years of expertise within the Avianca Group, where he has played a vital role in enhancing financial strategies and cost discipline. Previously serving as Chief Financial Officer of LifeMiles, Mr. Alvear successfully positioned our loyalty program as a financially solid loyalty program in Latin America. His tenure as our Vice President of Treasury has further solidified our financial stability. Together, Frederico and Nicolás, supported by the broader management team, remain committed to fostering a culture of collaboration and operational efficiency to deliver sustained value for us and our stakeholders.

Business Strategy

Our tailored approach of cost-efficient narrow-body service, coupled with our complementary long-haul wide-body offering, loyalty program and cargo operation, have been key to our financial and operational success. In support of our strategy of continued profitable growth we intend to:

Capture and retain passengers across underpenetrated Core Markets through our differentiated fare structure and operational excellence

In 2023, Colombia was the third largest aviation passenger market in Latin America, based on ASKs, and one of the fastest growing aviation markets in the world in terms of recovery from the pandemic-induced downturn, reaching 121% of 2019 ASKs (according to OAG), and one of the highest expected annualized passenger growth rates for the next two decades with 4.4% (according to Airbus), compared with the European Union and the United States with 2.6% and 2.0%, respectively. Notwithstanding the expected increase in trips per capita from 0.7x in 2023 to 1.6x in 2043, Colombia is underpenetrated when compared to the 1.6x and 2.1x for the European Union and the United States in 2023 and is expected to remain significantly underpenetrated when compared to the 2.8x and 2.9x trips per capita expected in 2043 for the European Union and the United States, respectively (according to Airbus Global Market Forecast). Similarly, despite relatively high annualized passenger growth for the next two decades in our other Core Markets including Central American countries of El Salvador, Costa Rica and Guatemala, and Ecuador with 3.1% (on a weighted average basis) and a 3.6%, respectively, these markets are expected to see continued underpenetration with trips per capita increasing from 0.3x to 0.6x from 2023 to 2043 in the case of Central America and 0.3x in 2023 to 0.6x in 2043 in the case of Ecuador.

Our transformed cost-efficient structure, which allows us to offer accessible fares while maintaining profitability and a highly convenient flight schedule, positions us to capture passenger growth in our Core Markets. To take advantage of these market conditions, we make our low-fare alternatives readily available to our growing passenger base through our directed marketing initiatives, streamlined direct sales processes, and opt-in pricing. We believe that as trips per capita continue to increase both in Colombia and in our wider Core Markets, our expansive network, unbundled offerings and our operational excellence, including high on-time performance, will make us the airline of choice for new and existing customers. Furthermore, we expect our fleet strategy, supported by 113 aircraft on order plus 25 options along with staggered lease maturities, to provide flexibility to capture growing demand and account for potential changing conditions.

Expand our point-to-point network for our narrow-body Fleet to capture growing pools of passengers

We plan to expand our network by adding point-to-point routes to allow our customers to fly directly to the destinations we currently serve. Our cost-efficient model makes our point-to-point routes profitable and has allowed us to maintain an advantage in expanding routes as well as departures over competitors with higher costs. Furthermore, we believe that our order book of 113 A320 Family aircraft representing 75% of our total Operating Fleet, along with options to acquire 25 additional aircraft, will allow us to replace and modernize our existing Fleet and facilitate network growth at favorable prices. We anticipate adding more flights departing from the Colombian cities of Medellín, Cali, and Cartagena, as well as expanding routes across Central America, including to and from El Salvador and Costa Rica. Growing capacity in our Colombian market, including destinations to both North and South America, is one of the most important drivers for growth, where we can leverage our existing sales efforts, customer base and infrastructure. Additionally, we anticipate continuing to capture unserved passengers following the halt of operations of certain former Colombia-based airlines, particularly in Medellín.

Expand our wide-body operations to select profitable routes driven by strong and resilient VFR traffic

Our wide-body operations primarily serve our European destinations, carrying resilient VFR and premium business traffic. In 2023 we had the largest seat shares on key non-stop service routes to Europe, such as Bogotá-London, Bogotá-Madrid, Cali-Madrid and Medellín-Madrid with 100%, 43%, 100% and 41%, respectively, while we also had a leading seat share in key routes within the Americas. Furthermore, we plan to drive more connecting traffic between South and Central America, and Europe. To achieve this growth, we plan to add two new Boeing 787 wide-

body aircraft between 2024 and 2025 and five new A350 wide-body aircraft between 2027 and 2029, which will bring our Operating Fleet of wide-body aircraft to 19.

Grow LifeMiles through increased credit card spending and subscription products in our underpenetrated Core Markets, as well as through new cards in the United States

We currently capture a significant portion of credit card spend in our Core Markets. In 2023, our co-branded credit cards represented over 13% of the credit card payment volume in Colombia, and our co-branded credit cards portfolio continues to represent a meaningful portion of our partner bank credit cards. However, the credit card markets in our Core Markets remain considerably underpenetrated relative to those of other developed and emerging economies. For example, in 2023, the average number of credit cards per adult in Colombia was approximately 0.4x (based on data from the SFC and the World Bank), compared to approximately 0.8x, 1.2x and 2.2x, in Chile, Brazil and the United States, respectively (based on data from the CMF, the BCB, the FRBNY, and the World Bank). We plan to strengthen our relationship with leading financial institutions in our Core Markets to continue leveraging growth in credit card penetration and growing payment volumes. At the same time, we plan to aggressively grow Club LifeMiles, our subscription product designed for our Core Markets, in part through cross-selling to co-branded credit card users. Our four Club LifeMiles subscription options charge a monthly fee in exchange for a fixed number of Miles. The subscriptions also include a multiplier on co-branded credit card accruals and discounts on redemptions with Avianca or our air partners, among other attractive benefits.

Additionally, LifeMiles has grown substantially in recent years in the United States, primarily as a result of Miles transfers from partner financial institutions such as American Express, Citibank, and Capital One. Moving forward we expect to continue this growth, supported by not only new co-branded credit cards launched in the United States in May 2024, but also a set of subscription offerings in the United States collectively called "LifeMiles +". These subscriptions complement the attractive value proposition of our co-branded credit cards in the United States with an accrual multiplier, discounts on redemptions with Avianca or our air partners and exclusions from certain redemption-related fees. We believe we are well-positioned for growth in the U.S. market targeted at sectors that travel to South and Central America.

Driving margin expansion through operational initiatives and continuing to refine and optimize our product offering

We plan to further advance our operational streamlining initiatives to further drive margin expansion. We expect to achieve these by continuing, among other initiatives, to improve our itinerary design as we leverage our strong operational performance, making our on-ground aircraft turnaround times shorter and benefiting our passengers and cargo customers with outstanding punctuality; to promote self-service to reduce check-in times, minimize customer service intervention and further augment customer satisfaction; to enhance our business class flying experience to drive our premium revenue higher, including through the reintroduction of business class offerings in 35 select routes operated with our narrow-body aircraft by 2025, currently having launched service across 11 routes, as well as the launch of our *Insignia* business class offering on wide-body routes to and from Europe; to strengthen fuel conservation procedures; to further improve our operational labor productivity; and to boost direct sales by implementing technological initiatives. We are nimble and are continuously adjusting our network and product offerings to take advantage of margin accretive opportunities that we identify.

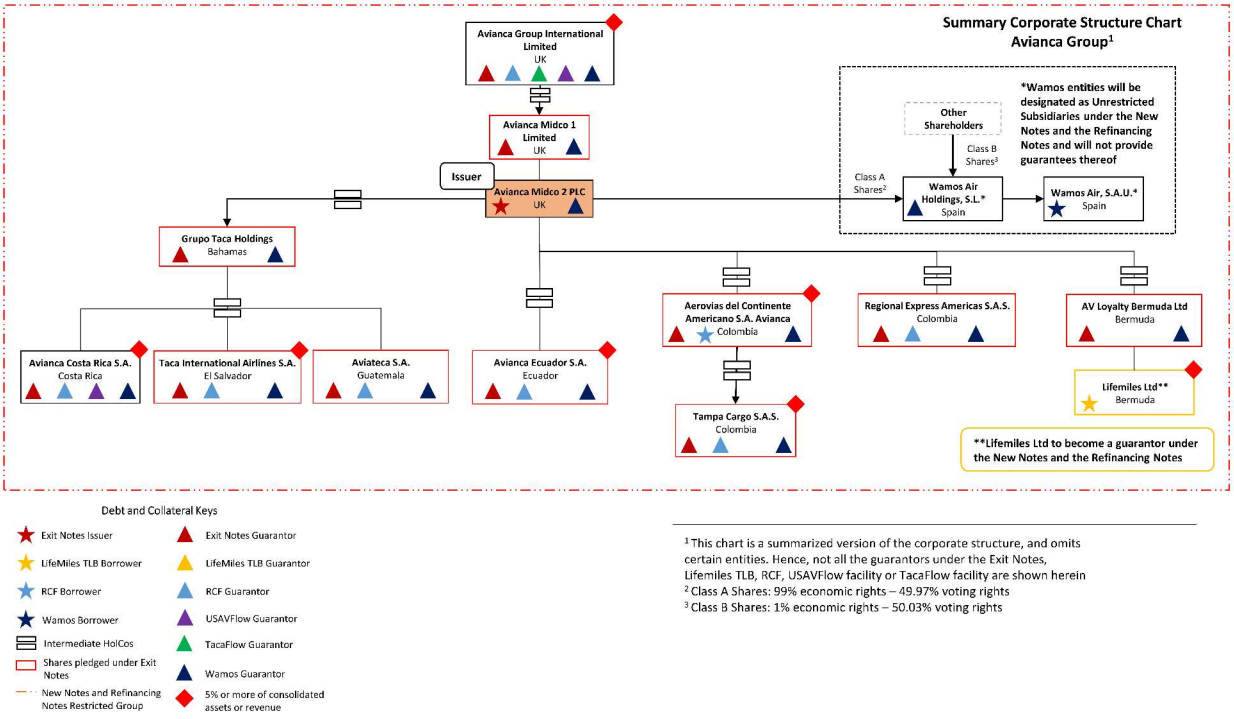
Our Corporate Structure

The Issuer is an indirect wholly-owned subsidiary of AGIL and was incorporated under the laws of England and Wales as a public limited company, having its registered office at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT.

AGIL was incorporated on September 27, 2021 to be the successor holding company following the reorganization of the AVH Debtors, pursuant to Chapter 11 of the Bankruptcy Code. The AVH Debtors first filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court, on May 10, 2020, as a result of the impact of the COVID-19 pandemic. On November 2, 2021, the Bankruptcy Court entered an order confirming the AVH Debtors' proposed joint plan of reorganization, which we refer to as the "Plan," and on December 1, 2021, which we refer to as the Effective Date, the Plan became effective pursuant to its terms and the

Avianca Group emerged from bankruptcy. In accordance with the Plan, on the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, substantially all of AVH's assets and restructured liabilities were transferred to AGIL. On March 31, 2022, IV1L was interposed between AGIL and its shareholders by way of a 1:1 share for share exchange. As a result of this corporate reorganization: (i) AGIL's former shareholders became IV1L's shareholders; (ii) IV1L became the sole shareholder of AGIL, as well as the holding entity of the Avianca Group; and (iii) the corporate structure below AGIL remained substantially unaltered.

The following chart presents an overview of our ownership and corporate structure on the date of this Exchange Offer and Consent Solicitation Memorandum, without giving effect to the Transactions. The percentages represent the direct or indirect percentage of the total share capital owned by each entity.



Abra, Our Ultimate Parent Company

On May 10, 2022, the principal shareholders of the Avianca Group and the then-controlling shareholder of Gol, entered into an agreement to create a leading air transportation group across Latin America under a holding company structure named Abra, bringing together the iconic avianca and Gol brands. On April 3, 2023, this transaction, which we refer to as the Abra Transaction, closed and the then-shareholders of IV1L transferred their shares therein to Abra in exchange for shares in Abra. As a result, Abra became our ultimate parent. Therefore, 100% of IV1L's ordinary shares are owned by Abra as of the date of this Exchange Offer and Consent Solicitation Memorandum. The Abra Transaction aims to provide greater network and product synergies, broader geographic coverage and greater efficiencies, while Avianca and Gol continue to maintain independent brands, talent, teams, and culture.

Summary of Appraised Collateral

The New Notes and the New Notes Guarantees will be secured by the following, in each case subject to Excluded Assets (as defined herein): (i) the assets of the LifeMiles Guarantors consisting of substantially all of the assets of the LifeMiles Guarantors including, without limitation, equity interests in the LifeMiles Guarantors (including LifeMiles Ltd.) and the LifeMiles program assets consisting of intellectual property, data, agreements, and receivables related to the LifeMiles Guarantors arising out of the LifeMiles program (including intercompany receivables, subject to a materiality threshold), other than the LifeMiles Excluded Assets (as defined herein)

(collectively, the "LifeMiles Collateral") on a *pari passu* basis with the Refinancing Notes, (ii) to the extent pledged to secure the Refinancing Notes, additional collateral of the Issuer and the Existing Notes Guarantors, other than the Excluded Assets (as defined herein) (the "Additional Collateral") on a *pari passu* basis with the Refinancing Notes and (iii) substantially all of the other assets of the Issuer and the Existing Notes Guarantors, other than the Existing Excluded Assets (as defined herein) (collectively, the "Existing Collateral" and, together with the LifeMiles Collateral and the Additional Collateral, the "New Notes Collateral"), on a *pari passu* basis with the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received) and the Refinancing Notes, in each case, subject to permitted liens. Subject to Existing Excluded Assets, the Existing Collateral includes all trademarks, service marks, brand names, designs and logos worldwide that are owned by the Issuer and the Guarantors (including the "Avianca" trademarks) and any related assets (the "Brand IP Assets") and to the extent a security interest cannot be created or perfected in the assets related to the Brand IP law or any agreements, the equity interests of the Issuer or the applicable restricted subsidiary that owns such Brand IP Assets.

Set forth below is a summary of the appraised values of the New Notes Collateral.

Asset	Valuation	Valuation Source	Standard of Value	Valuation Methods
Avianca Cargo Freighter Business	$829,116,000	mba Aviation as of January 2, 2025	Owner's Value	Discounted Cash Flow, Guideline Public Companies, Precedent Transaction
LifeMiles, Ltd. Loyalty Program	$3,177,658,000	mba Aviation as of January 2, 2025	Owner's Value	Discounted Cash Flow Method
Brand Intellectual Property	$940,200,000	mba Aviation as of January 2, 2025	Fair Market Value	The Relief from Royalty Method
Route Franchise Network	$1,304,993,000	mba Aviation as of January 2, 2025	Owner's Value	Discounted Cash Flow Method
Total New Notes Collateral Value	**$6,251,967,000**			

The appraised value of the Route Franchise Network includes 10.3 slots at John F. Kennedy International Airport and 2 slots at London Heathrow Airport (the "Level 3 Slots"), which have been pledged to secure our Revolving Credit Facility and will not be pledged to secure the New Notes or the New Notes Guarantees. Although the equity interests of the applicable restricted subsidiary holding the Level 3 Slots will be pledged to secure the New Notes and New Notes Guarantees, there can be no assurance that in the event of any insolvency, bankruptcy or similar proceeding there would be any residual value available to repay the New Notes after we satisfy our obligations under the Revolving Credit Facility. The Level 3 Slots may constitute a significant portion of the appraised value of our Route Franchise Network. Additionally, subject to the limitations under applicable law, any slots that we now or hereafter own at airports that are designated as Level 3 airports by IATA may also be required to be pledged directly to secure the Revolving Credit Facility, which would cause them to become Excluded Assets and any liens on these assets securing the New Notes to be released. See "Risk Factors—Risks Related to the New Notes Collateral—Certain of the Issuer's and New Notes Guarantors' assets are excluded from the collateral pledged to secure the New Notes due to restrictions and prohibitions under applicable law and limitations in contracts permitted under the Indenture." The value of the New Notes Collateral in the event of liquidation may be materially different from the book value or the value covered by the appraisals. Appraisals should not be relied upon as a measure of the value of the New Notes Collateral. See "Risk Factors – Risks Related to the New Notes Collateral—The appraisals included in this Exchange Offer and Consent Solicitation Memorandum are not, and should not be relied upon as, a measure of the value of the New Notes Collateral securing the New Notes, and the appraisals are highly dependent on the assumptions used in preparing them."

Summary of Risks Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving business objectives or may adversely affect our business, results of operations and financial condition that you should consider before making an investment decision. You should carefully consider all of the information set forth in this Exchange Offer and Consent Solicitation Memorandum and, in particular, should evaluate the specific factors set forth under the "Risk Factors" section of this Exchange Offer and Consent Solicitation Memorandum in deciding whether to participate in the Offer and Solicitation invest in our New Notes. Some of the most significant risks and uncertainties we face that may impact an investment in us include, among other matters, the following:

- We may not be successful in executing our strategy, which may have a material adverse effect on our business, results of operations and financial condition.
- Our cost-efficient structure is one of our primary competitive advantages, and many factors could affect our ability to control our costs.
- We have incurred significant losses from operations in the past, and effected an out-of-court restructuring in 2019 and a bankruptcy reorganization in 2021, and we may not be able to maintain or increase our profitability.
- If our new aircraft are not delivered or placed into service on time and on competitive terms, or if new aircraft do not perform as expected, our business, results of operations and financial condition may be adversely affected.
- We depend on a limited number of suppliers for our aircraft and engines and design defects or mechanical problems with any of the types of aircraft or engines that we operate could adversely affect our business, results of operations and financial condition.
- We are highly dependent on our hubs at BOG and SAL, and we confront particular structural challenges at our BOG hub due to lack of additional capacity in ground and air operations.
- Volatility in our fuel costs or disruptions in our fuel supply could adversely affect our business, results of operations and financial condition.
- The outbreak or the threat of an outbreak of a contagious disease has in the past and may in the future materially and adversely affect the airline industry.
- We operate in a highly competitive industry and actions by our competitors could adversely affect us.
- Failure to effectively manage acquisitions, divestitures, investments, joint ventures and other portfolio actions could adversely impact our business.
- We have a significant amount of aircraft-related fixed obligations that could impair our liquidity and thereby harm our business, results of operations and financial conditions.
- Our business is highly regulated and changes in the regulatory environment in which we operate, including relating to safety assessments by regulators, or any non-compliance on our part, may adversely affect our business, results of operations and financial condition.
- We rely on automated systems to operate our business, and any failure of these systems could adversely affect our business, results of operations and financial condition.
- Any interruption, destruction, leakage or loss of data in our information technology systems or those of our suppliers, providers or business partners, including at LifeMiles, due to cyberattacks could materially and adversely affect our reputation, business, results of operations and financial condition.

- We may be unable to attract and retain qualified, skilled employees necessary to operate our business or may be unable to maintain our company culture, which could have an adverse effect on our business, results of operations and financial condition.

- Our performance is highly dependent on macroeconomic and political conditions in the countries in which we operate.

- Abra has granted a charge over, and an equitable mortgage in respect of, all of our ordinary shares it owns as collateral to secure its obligations under the Abra Indebtedness.

- Abra controls us and its interests may conflict with yours in the future.

- Certain of the Issuer's and New Notes Guarantors' assets are excluded from the collateral pledged to secure the New Notes due to restrictions and prohibitions under applicable law and limitations in contracts permitted under the Indenture.

- There are circumstances other than repayment or discharge of the New Notes under which the New Notes Collateral securing the New Notes will be released automatically, without your consent or the consent of the applicable Collateral Trustee.

- Security interests in certain Collateral will not be perfected, and the applicable Collateral Trustee's ability to foreclose on the New Notes Collateral or exercise other remedies may be limited.

- The value of the New Notes Collateral securing the New Notes may not be sufficient to satisfy in full our obligations under the New Notes and other obligations secured equally and ratably with the New Notes.

- We have significant Debt outstanding and we may not be able to generate sufficient cash to service all of our Debt and may be forced to take other actions to satisfy our obligations under our Debt, which may not be successful.

- Variations in interest rates may adversely affect our business, results of operations and financial condition.

- Despite our significant Debt, we and our subsidiaries will still be able to incur significant amounts of additional Debt, which could further exacerbate the risks associated with our significant Debt.

- We have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses or fail to maintain an effective system of internal control over financial reporting in the future, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet periodic reporting obligations under the New Notes and our other Financial Indebtedness.

- The New Notes are subject to transfer restrictions and are a new issue of securities for which there is currently no public market. You may be unable to sell your New Notes if a trading market for the New Notes does not develop.

Recent Developments

Concurrent Offering of Refinancing Notes

The Issuer intends to issue notes (the "Refinancing Notes") pursuant to a contemplated offering for cash (the "Concurrent Offering"), which we expect to close on or about the Settlement Date. The Issuer intends to use the net proceeds of the Concurrent Offering to redeem in full the 9.000% Tranche A-2 Senior Secured Notes due 2028 issued by the Issuer (the "Tranche A-2 Senior Secured Notes") and to repay in full the loans under the LifeMiles Credit Agreement. To the extent the net proceeds of the Concurrent Offering exceed the amounts necessary to redeem in full the Tranche A-2 Senior Secured Notes and repay in full the loans under the LifeMiles Credit Agreement, we intend

to use the proceeds to repay other debt (including the repurchase of New Notes in the open market, through tender offers or otherwise) and/or for general corporate purposes. As of the date of this Exchange Offer and Consent Solicitation Memorandum, the aggregate principal amount outstanding under the Tranche A-2 Senior Secured Notes is US$583,870,633, and the amount outstanding under the LifeMiles Credit Agreement is US$365,000,000. If we launch the Concurrent Offering, we cannot predict whether the Concurrent Offering will be successfully consummated. The consummation of the Offer and Solicitation is conditioned upon, among other conditions, (i) the consummation of the Concurrent Offering on terms and conditions satisfactory to the Issuer, yielding net cash proceeds that will be sufficient to redeem in full the Tranche A-2 Senior Secured Notes and to repay in full the loans under the LifeMiles Credit Agreement, (ii) the redemption in full of the Tranche A-2 Senior Secured Notes, and (iii) the repayment in full of the loans under the LifeMiles Credit Agreement and the release of all of the collateral securing the LifeMiles Credit Agreement. See "The Offer and Solicitation—Conditions to the Offer and Solicitation."

This Exchange Offer and Consent Solicitation Memorandum does not constitute an offer to sell, or the solicitation of an offer to buy, the Refinancing Notes. The Concurrent Offering will be made only by and pursuant to the terms of a separate offering memorandum.

The Refinancing Notes are expected to be subject to certain covenants, redemption provisions and events of default, including limitations on debt incurrence, lien incurrence, dividend payments or other restricted payments, transactions with affiliates, certain asset sales or dispositions and mergers, consolidations and transfers of substantially all assets, which will differ in certain respects from the covenants, redemption provisions and events of default included in the New Notes Indenture and the Existing Notes Indenture. The Refinancing Notes will be secured by the New Notes Collateral on a *pari passu* basis with the New Notes, and will be initially guaranteed by the same guarantors that are providing New Notes Guarantees with respect to the New Notes.

Revolving Credit Facility

On November 26, 2024, Aerovías repaid in full and terminated the 2022 Revolving Credit Facility, and on the same date, Aerovías, acting through Aerovias Florida, entered into the Revolving Credit Facility with Citibank, N.A., as administrative agent and collateral agent, and the various lenders party thereto, which provides for initial aggregate commitments of $200.0 million, which may be increased by an additional $100.0 million through an incremental facility to total commitments of up to $300.0 million. The Revolving Credit Facility matures on November 26, 2027. As of the date of this Exchange Offer and Consent Solicitation Memorandum, the Revolving Credit Facility remains undrawn. See "Description of Other Indebtedness—Revolving Credit Facility."

Wamos Facility

On December 31, 2024, Wamos Air entered into the Wamos Facility with the lenders party thereto, which provides for a loan of €22.0 million with, subject to the completion of certain customary conditions precedent, a delayed draw in the amount of €14.0 million. The obligations of Wamos Air under the Wamos Facility are guaranteed by AGIL and certain of its subsidiaries and will be secured by 78% of the shares of Wamos Air held by Wav Air Holdings S.L. The Wamos Facility matures on the date that is five years after the initial disbursement of the loan, which occurred on January 6, 2025. The Wamos Facility bears interest at a rate of 3-month EURIBOR plus 6.50%. The consummation of the Transactions described in this Exchange Offer and Consent Solicitation Memorandum will trigger a right by the lenders under the Wamos Facility to demand the prepayment of the loans under the Wamos Facility, including a prepayment premium fee of 1.0% of the amount prepaid. See "Description of Other Indebtedness—Wamos Facility."

Intercompany Strategic and Advisory Services Agreement

On December 18, 2024, our subsidiary Aerovías and Abra entered into an Intercompany Strategic and Advisory Services Agreement (the "Strategic and Advisory Services Agreement"), whereby Aerovías has engaged Abra to provide certain strategic advisory and consulting services. Pursuant to the Strategic and Advisory Services Agreement, Aerovías paid Abra $11.8 million in 2024, which includes payment for services rendered by Abra during the second half of 2024. Such payment is expected to be reflected in our results for the fourth quarter of 2024. See "Related Party Transactions—Intercompany Strategic and Advisory Services Agreement."

SUMMARY OF THE OFFER AND SOLICITATION

The following is a brief summary of certain terms of the Offer and Solicitation. For a more complete description of the Offer and Solicitation, see "The Offer and Solicitation" and "Proposed Amendments" in this Exchange Offer and Consent Solicitation Memorandum.

Offeror	Avianca Midco 2 PLC
General	The Issuer invites all Eligible Holders of the Existing Notes to exchange any and all of their Existing Notes for New Notes, upon the terms and subject to the conditions set forth in the Offer and Solicitation Documents. The Issuer is also seeking Consents from Eligible Holders of the Existing Notes to amend certain provisions of the Existing Notes Indenture. The Proposed Majority Amendments will, among other matters, eliminate substantially all the restrictive covenants and amend certain events of default and related provisions in the Existing Notes Indenture and release the liens on the Released Assets; and, in the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, the Proposed 90% Amendments will release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral. As of the date of this Exchange Offer and Consent Solicitation Memorandum, the aggregate outstanding principal amount of the Existing Notes is US$1,111,936,821.
Purpose of the Offer and Solicitation	The purpose of the Exchange Offer is to refinance the Existing Notes in order to optimize our debt capital structure. The purpose of the Solicitation is to seek Consents from Eligible Holders of the Existing Notes to amend certain provisions of the Existing Notes Indenture.
Eligibility to Participate in the Offer and Solicitation	The Offer and Solicitation is being made, and the New Notes are being offered and issued only (a) in the United States to holders of Existing Notes that we reasonably believe are "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (b) outside the United States to holders of Existing Notes that are not U.S. persons and that are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act. **Only Eligible Holders that have properly submitted a duly completed electronic Eligibility Letter by accessing the Exchange Offer Website at https://www.dfking.com/avianca are authorized to receive and review this Exchange Offer and Consent Solicitation Memorandum and to participate in the Offer and Solicitation.** **Eligible Holders of Existing Notes may not tender Existing Notes without delivering the related Consents, and Eligible Holders of Existing Notes may not deliver Consents without tendering the related Existing Notes.** Persons who are not Eligible Holders may not receive and review this Exchange Offer and Consent Solicitation Memorandum or participate in the

	Offer and Solicitation. See "The Offer and Solicitation—Eligibility to Participate in the Offer and Solicitation."
Exchange Consideration	Upon the terms and subject to the conditions set forth in the Offer and Solicitation Documents, Eligible Holders that validly tender, and not validly withdraw, their Existing Notes, and whose Existing Notes are accepted for exchange by us, will receive: (a) if they tender their Existing Notes on or before the Early Participation Date, US$1,000 principal amount of New Notes and US$10.00 in cash for each US$1,000 principal amount of Existing Notes validly tendered for exchange that we accept for purchase (the "Early Exchange Consideration"); and (b) if they tender their Existing Notes after the Early Participation Date but on or before the Expiration Date, US$950 principal amount of New Notes for each US$1,000 principal amount of Existing Notes validly tendered for exchange that we accept for purchase (the "Late Exchange Consideration" and, together with the Early Exchange Consideration, the "Exchange Consideration"). We will not make any payment or pay any remuneration with respect to the Consents provided under the Consent Solicitation. See "The Offer and Solicitation—Exchange Consideration."
Accrued Interest	In addition to the Exchange Consideration, on the Settlement Date Eligible Holders who tendered and did not withdraw their Existing Notes will be entitled to receive payment of accrued and unpaid interest from, and including, the last date on which interest was paid in respect of the Existing Notes to, but excluding, the Settlement Date (the "Accrued Interest"), to be paid in cash with respect to Existing Notes accepted for exchange. Interest will cease to accrue on the Settlement Date for all Existing Notes accepted in the Exchange Offer unless we fail to deliver the New Notes in respect thereof on the Settlement Date. See "The Offer and Solicitation—Accrued Interest." Under no circumstances will any interest be payable because of any delay in the transmission of funds to Eligible Holders by DTC, Euroclear, Clearstream or any other clearing system or intermediary.
Denominations and Rounding	Existing Notes may be tendered and will be accepted for payment only in principal amounts equal to the minimum denomination of US$1,000 and integral multiples of US$1.00 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Eligible Holders who do not tender all of their Existing Notes must retain Existing Notes at least equal to the minimum denomination of US$1,000. The New Notes will be issued in a minimum denomination of US$1,000 and integral multiples of US$1.00 in excess thereof. If, under the terms of the Exchange Offer, any tendering Eligible Holder is entitled to receive New Notes in a principal amount that is not a permitted denomination, the principal amount of the New Notes will be rounded down to the nearest permitted denomination and no cash will be paid for fractional New Notes not received as a result of such rounding down. If, however, such Eligible Holder would be entitled to receive less than US$1,000 principal amount of New Notes, the Eligible Holder's tender will be rejected in full and the Existing Notes subject to this tender will be returned to the Eligible Holder.

Consent Solicitation; Proposed Amendments to Existing Notes.....	Simultaneously with the Exchange Offer, the Issuer is also soliciting Consents of the holders of the Existing Notes to amend certain provisions of the applicable Existing Notes Indenture. Holders that tender and do not validly withdraw their Existing Notes thereby deliver their Consent to the Proposed Amendments. The Proposed Majority Amendments will, among other matters, eliminate substantially all the restrictive covenants and amend certain events of default and related provisions of the Existing Notes Indenture and release the liens on the Released Assets, and constitute a direction to the Existing Notes Trustee to enter into the Majority Amendments and to the Existing Notes Trustee and the Existing Notes Collateral Trustee to release the Released Assets. In the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, the Proposed 90% Amendments will release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral, and constitute a direction to the Exiting Notes Trustee to enter into the 90% Amendments and to the Existing Notes Trustee and the Existing Notes Collateral Trustee to execute all documents necessary to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral. Pursuant to the Existing Notes Indenture, the adoption of the Proposed Majority Amendments requires the consent of holders of not less than a majority in principal amount of the Existing Notes then outstanding (the "Required Consents for the Proposed Majority Amendments"). Pursuant to the Existing Notes Indenture, the adoption of the Proposed 90% Amendments requires the consent of holders of at least 90% in principal amount of the Existing Notes then outstanding (the "Required Consents for the Proposed 90% Amendments"). If we obtain the Required Consents for the Proposed Majority Amendments and subject to the satisfaction of the conditions to the Offer and Solicitation, the Issuer, the Existing Notes Guarantors and the Existing Notes Trustee will, on or prior to the Settlement Date, execute an amendment to the Existing Notes Indenture (the "Majority Amendments") to effect the Proposed Majority Amendments, which will become effective upon execution of such amendment but will not become operative until the Exchange Consideration is delivered on the Settlement Date. On or after the Settlement Date, the Issuer, the Existing Notes Trustee and the Existing Notes Collateral Trustee will execute any document that may be necessary to release the liens on the Released Assets. If we obtain the Required Consents for the Proposed 90% Amendments and subject to the satisfaction of the conditions to the Offer and Solicitation, on or prior to the Settlement Date the Issuer, the Existing Notes Guarantors and the Existing Notes Trustee will execute an amendment to the Existing Notes Indenture (the "90% Amendments") to effect the Proposed 90% Amendments, which will become effective upon execution of such amendment but will not become operative until the Exchange Consideration is delivered on the Settlement Date, and all of the Existing Notes Guarantees will be released and discharged and all of the Existing Notes Collateral will be released and the Issuer, the Existing Notes Trustee and the Existing Notes Collateral Trustee will execute any document that may be necessary to release

	and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral on or after the Settlement Date. If we obtain the Required Consents for the Proposed Majority Amendments, but not for the Required Consents for the Proposed 90% Amendments, we will enter into the Majority Amendments, and the Existing Notes Indenture will only be modified to reflect the Proposed Majority Amendments. If we do not obtain the Required Consents for the Proposed Majority Amendments, we will not enter into the Majority Amendments or the 90% Amendments, and the Existing Notes Indenture will remain unmodified. See "The Offer and Solicitation—The Solicitation" and "Proposed Amendments."
Early Participation Date	The deadline for Eligible Holders to validly tender Existing Notes in order to be eligible to receive the Early Exchange Consideration, which shall be 5:00 p.m., New York City time, on January 28, 2025, as may be extended from time to time.
Withdrawal and Revocation of Consents Date	The deadline for Existing Notes validly tendered for exchange to be validly withdrawn and for Consents validly delivered to be validly revoked, which shall be 5:00 p.m., New York City time, on January 28, 2025, unless we amend or otherwise change the Offer and Solicitation in a manner material to tendering Eligible Holders or are otherwise required by law to permit withdrawal and revocation (as determined by us in our reasonable discretion). Existing Notes tendered in the Exchange Offer may be validly withdrawn at any time at or prior to the Withdrawal and Revocation of Consents Date. Existing Notes tendered after the Withdrawal and Revocation of Consents Date may not be withdrawn or revoked except in limited circumstances. See "The Offer—Withdrawal of Tenders and Revocation of Consents."
Expiration Date.....	The deadline for Eligible Holders to validly tender Existing Notes in order to be eligible to receive the Late Exchange Consideration, which shall be 11:59 p.m., New York City time, on February 11, 2025, as may be extended from time to time. Eligible Holders will not be able to tender into DTC's ATOP system after 5:00 p.m., New York City time, on February 11, 2025. To participate in the Offer and Solicitation after 5:00 p.m., New York City time, on February 11, 2025 through the Expiration Date, Eligible Holders must email the Information and Exchange Agent directly at avianca@dfking.com.
Extensions.....	Subject to applicable law, the Issuer, in its sole discretion, may extend the Early Participation Date or the Expiration Date for any reason, with or without extending the Withdrawal and Revocation of Consents Date. To extend the Early Participation Date or the Expiration Date, the Issuer will notify the Information and Exchange Agent and will make a public announcement thereof before 9:00 a.m., New York City time, on the first business day after the previously scheduled Early Participation Date or the Expiration Date, as applicable.
Settlement Date.....	The Settlement Date for the Offer and Solicitation will be promptly following the Expiration Date and is expected to be the third business day after the

	Expiration Date, as may be extended from time to time. We expect the Settlement Date to occur on February 14, 2025, unless extended.
Conditions	The obligation of the Issuer to accept Existing Notes tendered in the Offer and to consummate the Offer and Solicitation is subject to the satisfaction of certain conditions applicable to the Offer and Solicitation described under "The Offer and Solicitation—Conditions to the Offer and Solicitation." The consummation of the Offer and Solicitation is conditioned upon, among other conditions, the receipt of Existing Notes validly tendered (and not validly withdrawn) and accepted in the Offer and Solicitation prior to the Expiration Date representing not less than a majority in principal amount of the Existing Notes then outstanding (such condition, the "Minimum Exchange Condition"). In addition, the consummation of the Offer and Solicitation is conditioned upon, among other conditions, (i) the consummation of the Concurrent Offering on terms and conditions satisfactory to the Issuer, yielding net cash proceeds that will be sufficient to redeem in full the Tranche A-2 Senior Secured Notes and to repay in full the loans under the LifeMiles Credit Agreement, (ii) the redemption in full of the Tranche A-2 Senior Secured Notes, and (iii) the repayment in full of the loans under the LifeMiles Credit Agreement and the release of all of the collateral securing the LifeMiles Credit Agreement (such condition, the "Financing Condition"). See "The Offer and Solicitation—Conditions to the Offer and Solicitation" for a full description of these and other conditions to the consummation of the Offer and Solicitation. We may waive, in our sole discretion, any of the conditions to the consummation of the Offer and Solicitation, including but not limited to the Minimum Exchange Condition and Financing Condition, subject to applicable law.
Procedures for Tendering.....	For an Eligible Holder to validly tender Existing Notes pursuant to the Exchange Offer, an Agent's Message (as defined herein) must be received by the Information and Exchange Agent at or prior to the Early Participation Date or the Expiration Date, as applicable. See "The Offer and Solicitation—Procedures for Tendering—Procedures for Tendering Existing Notes." For further information, contact the Information and Exchange Agent at its address and telephone number set forth on the back cover of this Exchange Offer and Consent Solicitation Memorandum.
Withdrawal of Tenders and Revocation of Consents	Existing Notes tendered in the Exchange Offer may be validly withdrawn and Consents delivered in the Consent Solicitation may be validly revoked at any time at or prior to the Withdrawal and Revocation of Consents Date. Existing Notes tendered and Consents delivered after the Withdrawal and Revocation of Consents Date may not be withdrawn or revoked, as applicable, except in limited circumstances. After the Withdrawal and Revocation of Consents Date, tendered Existing Notes and delivered Consents may not be validly withdrawn or revoked, as applicable, unless we amend or otherwise change the Offer and Solicitation in a manner material to tendering Eligible Holders or are otherwise required by law to permit withdrawal (as determined by us

	in our reasonable discretion). See "The Offer and Solicitation—Withdrawal of Tenders." **Tenders of Existing Notes may not be withdrawn without revoking the related Consents, and deliveries of Consents may not be revoked without withdrawing the tender of the related Existing Notes.**
Right to Amend or Terminate	Subject to applicable law, the Offer and Solicitation may be amended, extended or terminated at any time prior to or at the Early Participation Date and/or the Expiration Date and we may not accept for purchase or payment any Existing Notes not theretofore accepted for purchase or payment. We reserve the right to amend (without extending withdrawal and revocation rights unless required by applicable law), at any time, the terms of the Offer and Solicitation in accordance with applicable law. We will give Eligible Holders notice of any amendments and will extend the Expiration Date (without extending the withdrawal rights, unless required by applicable law), if applicable.
Tax Considerations.....	For a summary of certain U.S. federal income tax considerations of the Offer and Solicitation, see "Certain U.S. Federal Income Tax Considerations." For a summary of certain United Kingdom tax considerations, see "Certain United Kingdom Tax Considerations." For a summary of certain Colombian tax considerations, see "Certain Colombian Tax Considerations."
Use of Proceeds	We will not receive any cash proceeds from the issuance of the New Notes in connection with the Offer and Solicitation. The issuance of the New Notes is made to refinance our Existing Notes.
Information and Exchange Agent.	D.F. King & Co., Inc. is the Information and Exchange Agent for the Offer and Solicitation. Its address and telephone numbers are listed on the back cover page of this Exchange Offer and Consent Solicitation Memorandum.
Dealer Managers and Solicitation Agents	Deutsche Bank Securities Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Credit Agricole Securities (USA) Inc., Goldman Sachs & Co. LLC, Barclays Capital Inc., and Morgan Stanley & Co. LLC.
New Notes Trustee and Existing Notes Trustee	Wilmington Savings Fund Society, FSB
Existing Notes Collateral Trustee and 2025 Collateral Trustee.....	GLAS Americas LLC
Risk Factors	Participating in the Offer and Solicitation and investing in the New Notes involves certain risks. See "Risk Factors."
Further Information; Questions....	Questions concerning tender procedures should be directed to the Information and Exchange Agent at its email address and telephone numbers set forth on the back cover page of this Exchange Offer and Consent Solicitation Memorandum. The Eligibility Letter and Exchange Offer and Consent Solicitation Memorandum can be accessed via the Exchange Offer Website at https://www.dfking.com/avianca. Any questions concerning the terms of the Offer and Solicitation should be directed to the Dealer Managers and Solicitation Agents at their addresses and telephone numbers set forth on the back cover page of this Exchange Offer and Consent Solicitation Memorandum.

SUMMARY OF THE NEW NOTES

The following summary contains basic information about the New Notes and the New Notes Guarantees related thereto and is not intended to be complete. It does not contain all of the information that is important to you. For a more complete understanding of the New Notes, please refer to the form of New Notes Indenture attached hereto as Exhibit A. Certain defined terms used in this section but not defined herein have the meanings assigned to them in the form of New Notes Indenture attached hereto as Exhibit A. For a comparison of the differences between the current terms of the Existing Notes and the terms of the New Notes, see "Redline Comparison Between the Existing Notes Indenture and the Form of New Notes Indenture" in Exhibit B.

Issuer ..... Avianca MidCo 2 PLC.

New Notes..... 9.000% Senior Secured Notes due 2028.

Issue Date ..... Settlement Date.

Maturity Date ..... December 1, 2028.

Interest Payment Dates..... June 1 and December 1, beginning on June 1, 2025.

Interest ..... The New Notes will bear interest from the Issue Date at an annual rate of 9.000%, payable semi-annually in arrears on each interest payment date.

Optional redemption..... The New Notes will be redeemable, at the option of the Issuer, in whole or in part, at the redemption prices (expressed as a percentage of the principal amount to be redeemed), during the 12-month periods specified below:

Period	Redemption Price
On or after the Issue Date but prior to December 1, 2025.....	104.500%
On or after December 1, 2025 but prior to December 1, 2026	102.250%
On or after December 1, 2026	100.000%

plus any accrued but unpaid interest and Additional Amounts, if any, to, but not including, the redemption date.

Redemption for Taxation Reasons..... We may, at our option, redeem the New Notes, in whole but not in part, at a redemption price equal to 100% of their principal amount, *plus* accrued and unpaid interest and Additional Amounts, if any, to, but not including, the redemption date, if tax laws currently in effect are modified and the change results in our and the New Notes Guarantors being obligated to pay Additional Amounts.

Change of Control Offer..... Upon the occurrence of a ratings decline that results from specific kinds of changes of control, we will make an offer to repurchase all of the New Notes at a purchase price of 101% of the principal amount, plus accrued interest up to, but not including, the repurchase date.

Note Guarantees	The New Notes will be fully and unconditionally guaranteed by (i) the Parent Guarantor, (ii) the Existing Notes Guarantors, and (iii) LifeMiles Ltd., LifeMiles US Finance LLC, LifeMiles Trading Co International Ltd., LifeMiles Trading Co. Costa Rica S.R.L. and LoyaltyCo, S.A. de C.V. (the "LifeMiles Guarantors" and, together with the Parent Guarantor and the Existing Notes Guarantors, the "New Notes Guarantors"), which will also guarantee the Refinancing Notes. Under certain circumstances, the New Notes Guarantors may be released from their New Notes Guarantees without the consent of the holders of New Notes. See Article 10 of the form of New Notes Indenture attached hereto as Exhibit A. For the twelve months ended September 30, 2024, our subsidiaries that will not be New Notes Guarantors represented approximately 1.4% of our consolidated revenue, while such subsidiaries represented a negative Adjusted EBITDAR as well as a net loss within our consolidated net income in the same period. As of September 30, 2024, our subsidiaries that are not New Notes Guarantors represented approximately 5.4% and 22.2% of our total assets and total liabilities, respectively.
Collateral.....	The New Notes and the New Notes Guarantees will be secured by (i) the assets of the LifeMiles Guarantors consisting of substantially all of the assets of the LifeMiles Guarantors including, without limitation, equity interests in the LifeMiles Guarantors (including LifeMiles Ltd.) and the LifeMiles program assets consisting of intellectual property, data, agreements, and receivables related to the LifeMiles Guarantors arising out of the LifeMiles program (including intercompany receivables, subject to a materiality threshold), other than the LifeMiles Excluded Assets (as defined below) (collectively, the "LifeMiles Collateral") on a *pari passu* basis with the Refinancing Notes, (ii) to the extent pledged to secure the Refinancing Notes, additional collateral of the Issuer and the Existing Notes Guarantors, other than the Excluded Assets (as defined below) (the "Additional Collateral") on a *pari passu* basis with the Refinancing Notes and (iii) substantially all of the other assets of the Issuer and the Existing Notes Guarantors, other than the Existing Excluded Assets (as defined below) (collectively, the "Existing Collateral" and, together with the LifeMiles Collateral and the Additional Collateral, the "New Notes Collateral"), on a *pari passu* basis with the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received) and the Refinancing Notes, in each case, subject to Permitted Liens. The Issuer and the New Notes Guarantors are able to incur and will be able to incur additional indebtedness in the future which could share in the New Notes Collateral, including additional first-priority secured debt and other obligations secured by permitted liens, subject to the covenants included in the New Notes Indenture. The amount of any such additional obligations could be significant. The value of the New Notes Collateral in the event of liquidation may be materially different from the value covered by the appraisals, which should not be relied upon as a measure of the value of the New Notes Collateral.

Ranking	The New Notes and the New Notes Guarantees will: • rank equally in right of payment with each other and with all of the Issuer's and the New Notes Guarantors' respective existing and future senior indebtedness that is not expressly subordinated in right of payment to the New Notes or the New Notes Guarantees, as the case may be, including without limitation, the Refinancing Notes and the Existing Notes. • rank senior in right of payment to all of the Issuer's and the New Notes Guarantors' respective existing and future indebtedness that is subordinated in right of payment; • rank effectively senior to all existing and future indebtedness that is unsecured or secured by junior liens on the New Notes Collateral, in each case, to the extent of the value of the New Notes Collateral securing the New Notes and the New Notes Guarantees; • be secured on a *pari passu* basis with the Issuer's and the New Notes Guarantors' respective existing and future indebtedness secured by the New Notes Collateral, in each case, to the extent of the value of the applicable New Notes Collateral, including without limitation, the Refinancing Notes and, in the case of the Existing Collateral, the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received); • be structurally subordinated to the liabilities of any of the Parent Guarantor's subsidiaries that do not guarantee the New Notes; and • be effectively subordinated to all of the Issuer's and the New Notes Guarantors' respective existing and future indebtedness that is secured by assets not included in the New Notes Collateral, in each case, to the extent of the value of such assets securing such indebtedness. See "Description of the New Notes."
Collateral Trust Agreements	On the Issue Date, the New Notes Trustee and we will enter into (i) a joinder to the Collateral Trust Agreement (the "Existing Collateral Trust Agreement"), dated as of December 1, 2021, among the Issuer and the other grantors party thereto (collectively, the "Existing Collateral Grantors"), the Existing Notes Trustee, the trustee for the Tranche A-2 Senior Secured Notes and GLAS Americas LLC, as collateral trustee (the "Existing Notes Collateral Trustee"), pursuant to which the New Notes will become beneficiaries of the Security Documents with respect to the Existing Collateral (the "Existing Collateral Security Documents") and will be secured by the Existing Collateral and (ii) a collateral trust agreement (the "2025 Collateral Trust Agreement" and, together with the Existing Collateral Trust Agreement, the "Collateral Trust Agreements"), among the Issuer and the other grantors party thereto (collectively, the "LifeMiles Collateral Grantors"), the trustee for the Refinancing Notes, the New

	Notes Trustee and GLAS Americas LLC, as collateral trustee (the "2025 Collateral Trustee" and together with the Existing Notes Collateral Trustee and the New Notes Collateral Trustee, the "Collateral Trustees" and each, a "Collateral Trustee") pursuant to which the New Notes will become beneficiaries of the Security Documents with respect to the LifeMiles Collateral (the "LifeMiles Security Documents") and will be secured by the LifeMiles Collateral, subject in each case, to post closing actions described in "Description of the New Notes—Security for the New Notes—Secured Obligations." On the date that any security interest with respect to any Additional Collateral is granted, we will enter into an additional collateral trust agreement on substantially the same terms as the Collateral Trust Agreements or modify or supplement on or more Collateral Trust Agreements pursuant to which the New Notes will become beneficiaries of the security documents with respect to the Additional Collateral (the "Additional Collateral Security Documents" and, together with the Existing Collateral Security Documents and the LifeMiles Security Documents, the "Security Documents") and will be secured by the Additional Collateral. The Collateral Trust Agreements will set forth the terms on which the applicable Collateral Trustee will receive, hold, administer, maintain, enforce and distribute the proceeds of all liens upon the applicable collateral at any time held by it, in trust for the benefit of the current and future holders of secured obligations secured by such Collateral.
Covenants.....	We will issue the New Notes under the New Notes Indenture which will, among other things, limit or impose conditions on our ability and the ability of our Restricted Subsidiaries to: • incur additional indebtedness; • enter into transactions with affiliates; • pay dividends or make other restricted payments; • make loans and investments; • incur liens; • dispose of certain assets; • designate a subsidiary as an unrestricted subsidiary; • enter into agreements restricting our subsidiaries' ability to pay dividends; and • consolidate, merge or sell all or substantially all of our assets. These covenants will be subject to important exceptions and qualifications. For a more complete understanding of the New

	Notes, see the form of New Notes Indenture attached hereto as Exhibit A. See also "Risk Factors—Risks Related to the New Notes and the New Notes Guarantees and Our Other Indebtedness."
Use of Proceeds	We will not receive any cash proceeds from the issuance of the New Notes in connection with the Offer and Solicitation. The issuance of the New Notes is made to refinance our Existing Notes.
Form and Denomination; Settlement	The New Notes will be issued in fully registered form without interest coupons attached, in a minimum denomination of US$1,000 and integral multiples of US$1.00 in excess thereof. The New Notes will be issued in book-entry form through the facilities of DTC, for the accounts of its direct and indirect participants, including indirectly Euroclear, as the operator of the Euroclear System, and Clearstream, and will trade in DTC's same-day funds settlement system. Beneficial interests in New Notes held in book-entry form will not be entitled to receive physical delivery of certificated New Notes, except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see "Form of New Notes, Clearing and Settlement."
Transfer Restrictions	The New Notes have not been, and will not be, registered under the Securities Act or under the laws of other jurisdictions, and are subject to certain restrictions on transferability and resale. We do not intend to offer notes registered under the Securities Act in exchange for the New Notes to be privately placed in this Offer and Solicitation and the absence of registration rights may adversely impact the transferability of the New Notes. For more information, see "Transfer Restrictions."
Listing	We intend to apply to have the New Notes listed on a stock exchange that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007. We cannot assure you, however, that this application will be accepted or, if accepted, that the New Notes will remain listed or admitted to trading on such exchange. The Issuer may delist the New Notes from such exchange in accordance with the rules of such exchange and seek an alternative admission to listing, trading and/or quotation for the New Notes on a different section of such exchange or on another stock exchange that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007, as the Issuer's board of directors may decide. There can be no assurance that the Issuer will obtain any such alternative to listing and/or trading for the New Notes.
Absence of Public Market for the New Notes	The New Notes are a new issue of securities and there is currently no established trading market for the New Notes. Accordingly, a liquid market for the New Notes may not develop.

Governing Law	The New Notes Indenture, the New Notes, the New Notes Guarantees will be governed by, and construed in accordance with, the laws of the State of New York. The Security Documents are or will be governed by, and are or will be construed in accordance with, the laws of Bahamas, Bermuda, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Panama, Puerto Rico, the United States and the United Kingdom, as applicable.
Risk Factors	Investing in the New Notes involves certain risks. See "Risk Factors."

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables present our summary consolidated financial and operating data. We have derived our summary consolidated statement of comprehensive income (loss) data and statement of cash flows data for the years ended December 31, 2023 and 2022, and the summary consolidated statement of financial position data as of December 31, 2022, from our audited financial statements, including the notes thereto, included elsewhere in this Exchange Offer and Consent Solicitation Memorandum. We have derived our summary condensed consolidated statement of comprehensive income (loss) data and condensed consolidated statement of cash flows data for the nine months ended September 30, 2024 and 2023, and our summary condensed consolidated statement of financial position data as of September 30, 2024 and as of December 31, 2023, from our condensed interim financial statements, including the notes thereto, included elsewhere in this Exchange Offer and Consent Solicitation Memorandum. See "Presentation of Financial and Other Information—Reclassifications." We prepare our audited financial statements in accordance with IFRS and our condensed interim financial statements in accordance with IAS 34.

Our historical results are not necessarily indicative of our results that may be expected for any future period. The financial data set forth below should be read in conjunction with, and are qualified by reference to, "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our audited financial statements and condensed interim financial statements, including the notes thereto, included elsewhere in this Exchange Offer and Consent Solicitation Memorandum.

Consolidated Statements of Comprehensive Income (Loss) Data

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022
		($ in thousands)		
Operating revenue:				
Passenger[1]	$ 3,263,125	$ 2,932,688	$ 4,007,956	$ 3,132,561
Cargo and Other[2]	544,761	550,648	763,170	915,295
Total operating revenue	**3,807,886**	**3,483,336**	**4,771,126**	**4,047,856**
Operating expenses:				
Aircraft fuel	1,085,656	1,026,271	1,416,445	1,479,783
Salaries, wages, and benefits	500,942	386,524	551,930	440,029
Ground operations	397,499	345,494	469,176	401,497
Air traffic	192,483	156,080	204,640	171,913
Flight operations	70,893	72,459	87,080	72,893
Passenger services	79,921	64,184	87,092	90,695
Maintenance and repairs	152,187	133,339	167,532	175,042
Selling expenses[3][7]	269,152	267,822	354,401	326,275
Fees and other expenses	207,402	160,569	233,084	250,764
Rentals	63,505	91,044	131,468	225,343
Depreciation, amortization and impairment[4]	—	—	449,734	333,534
Depreciation of right of use asset[4][5]	293,895	239,270	—	—
Other depreciation and amortization[4][6]	91,480	93,959	—	—
Impairment of other investments and assets held for sale[4][7]	—	9,348	—	—
Total operating expenses	**3,405,015**	**3,046,363**	**4,152,582**	**3,967,768**
Operating income[8]	**402,871**	**436,973**	**618,544**	**80,088**
Interest expense	(411,849)	(377,071)	(510,301)	(398,249)
Interest income	45,352	36,280	48,914	14,375
Net interest expense	**(366,497)**	**(340,791)**	**(461,387)**	**(383,874)**
Foreign exchange, net	(4,220)	(3,218)	(18,294)	(9,857)
Equity method income/profit	609	726	1,066	523
Income (loss) before income tax	**32,763**	**93,690**	**139,929**	**(313,120)**
Income tax expense — current	(27,891)	(30,095)	(38,905)	(8,830)
Income tax (expense) benefit — deferred	3,489	22,184	36,980	1,512
Total income tax expense	**(24,402)**	**(7,911)**	**(1,925)**	**(7,318)**

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022
	($ in thousands)			
Net income (loss) for the period/year from continuing operations	**$ 8,361**	**$ 85,779**	**$ 138,004**	**$ (320,438)**
Loss from discontinuing operations[7][9]	—	—	(6,654)	(1,856)
Net income (loss) for the period/year	**$ 8,361**	**$ 85,779**	**$ 131,350**	**$ (322,294)**

(1) Passenger operating revenue includes (i) ticket revenue, (ii) ancillary revenue, (iii) loyalty revenue and (iv) other revenue, as set forth in the table below:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022
	($ in thousands)			
Passenger:				
Tickets	$ 2,366,701	$ 2,096,926	$ 2,877,453	$ 2,407,514
Ancillaries	684,606	650,119	882,225	588,046
Loyalty	208,905	182,665	244,224	132,977
Other	2,913	2,978	4,054	4,024
Total	**$ 3,263,125**	**$ 2,932,688**	**$ 4,007,956**	**$ 3,132,561**

(2) Cargo and other operating revenue includes (i) loyalty revenue, (ii) cargo revenue and (iii) other revenue, as set forth in the table below:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022
	($ in thousands)			
Cargo and other:				
Loyalty	$ 25,619	$ 22,508	$ 33,253	$ 36,505
Cargo	487,752	509,704	676,572	823,341
Other	31,390	18,436	53,345	55,449
Total	**$ 544,761**	**$ 550,648**	**$ 763,170**	**$ 915,295**

(3) For the year ended December 31, 2023, selling expenses include $2,694 thousand of impairment recognized in selling expenses associated with other investments, which in our condensed interim financial statements was reclassified to impairment of other investments and assets held for sale.

(4) In our condensed interim financial statements, we segregated depreciation, amortization and impairment into the following line items: (i) depreciation of right of use asset, (ii) other depreciation and amortization and (iii) impairment of other investments and assets held for sale.

(5) For the years ended December 31, 2023 and 2022, depreciation of right of use asset excludes $327,691 thousand and $190,487 thousand, respectively, which were then classified as depreciation, amortization and impairment.

(6) For the years ended December 31, 2023 and 2022, other depreciation and amortization excludes $121,036 thousand and $143,047 thousand, respectively, which were then classified as depreciation, amortization and impairment.

(7) For the years ended December 31, 2023 and 2022, impairment of other investments and assets held for sale excludes $10,355 and $1,856, respectively, which were then classified as follows: (i) $1,007 thousand and nil, respectively, as depreciation, amortization and impairment, (ii) $2,694 thousand and nil, respectively, as selling expenses, and (iii) $6,654 thousand and $1,856 thousand, respectively, as loss from discontinuing operations.

(8) Operating Income Margin is calculated by dividing operating income by total operating revenue. Our Operating Income Margin for the nine months ended September 30, 2024 and 2023 was 10.6% and 12.5%, respectively. Our Operating Income Margin for the years ended December 31, 2023 and 2022 was $13.0% and 2.0%, respectively.

(9) In our condensed interim financial statements, we reclassified discontinuing operations corresponding to assets held for sale, previously treated as loss from discontinuing operations, to impairment of other investments and assets held for sale.

Consolidated Statements of Financial Position Data

	As of September 30, 2024	As of December 31, 2023[1]	2022
		($ in thousands)	
Assets			
Current assets			
Cash and cash equivalents[2]	$ 894,309	$ 767,547	816,716
Short-term investments	208,422	257,553	44,843
Trade and other receivables	266,687	263,433	233,753
Accounts receivable from related parties	8,431	4,897	—
Current tax assets	249,577	196,152	176,255
Defined benefit assets, net	—	—	2,102
Expendable spare parts and supplies	103,671	93,506	88,578
Prepayments	7,307	14,878	15,258
Deposits and other assets[2]	44,714	56,955	36,547
	1,783,118	**1,654,921**	**1,414,052**
Assets held for sale	732	10,743	26,067
Total current assets	**1,783,850**	**1,665,664**	**1,440,119**
Noncurrent assets			
Deposits and other assets[2]	125,997	124,338	81,267
Trade and other receivables, net of expected credit losses	—	—	2,592
Accounts receivable from related parties	121,407	112,726	103,341
Intangible assets and goodwill, net[3]	—	—	2,893,187
Intangible assets[3]	1,296,446	1,327,475	—
Goodwill[3]	1,524,638	1,524,638	—
Deferred tax assets	46,276	45,444	27,397
Property and equipment, net[4]	—	—	2,671,909
Right of use assets[4]	2,995,521	2,933,247	—
Property and equipment[4]	1,132,772	899,515	—
Total non-current assets	**7,243,057**	**6,967,383**	**5,779,693**
Total assets	**$ 9,026,907**	**$ 8,633,047**	**$ 7,219,812**
Liabilities			
Current liabilities			
Short-term borrowings and current portion of long-term debt[5]	$ 224,753	$ 206,817	$ 213,043
Current portion of lease liability[5]	279,587	269,360	—
Accounts payable	622,132	550,680	429,854
Accounts payable to related parties	874	79	42
Accrued expenses	69,956	85,799	54,577
Current tax liabilities	36,544	37,042	10,103
Provisions for legal claims	36,194	31,125	47,124
Provisions for return conditions	—	8,098	5,522
Employee benefits	115,058	135,749	81,687
Air traffic liability	620,847	680,425	589,825
Frequent flyer deferred revenue	169,987	164,540	165,165
Other liabilities	239	86	275
Liabilities associated with the assets held for sale	—	—	6,465
Total current liabilities	**2,176,171**	**2,169,800**	**1,603,682**
Noncurrent liabilities			
Long-term debt[5]	2,310,006	2,080,841	3,771,792
Long-term lease liability[5]	2,375,508	2,214,592	—
Provisions for return conditions	825,677	807,294	553,986
Employee benefits	69,912	71,191	40,221
Deferred tax liabilities	133,365	136,045	155,681
Frequent flyer deferred revenue	261,824	271,964	289,847

	As of September 30, 2024	As of December 31, 2023[1]	As of December 31, 2022
		($ in thousands)	
Other liabilities	115	88	101
Total noncurrent liabilities	**5,976,407**	**5,582,015**	**4,811,628**
Total liabilities	**$ 8,152,578**	**$ 7,751,815**	**$ 6,415,310**
Equity			
Common shares	4	4	4
Share premium	1,145,962	1,145,962	1,145,962
Retained deficit	(288,825)	(208,402)	(336,066)
Other comprehensive income	(1,056)	(72,567)	(21,537)
Equity attributable to owners of the Company	**856,085**	**864,997**	**788,363**
Non-controlling interest (NCI)	18,244	16,235	16,139
Total equity	**874,329**	**881,232**	**804,502**
Total liabilities and equity	**$ 9,026,907**	**$ 8,633,047**	**$ 7,219,812**

(1) To improve period-to-period comparability, we have derived the consolidated statement of financial position data as of December 31, 2023 presented in this Exchange Offer and Consent Solicitation Memorandum from our audited financial statements and included in those figures the reclassifications referred to above to conform to the presentation of our financial position data as of September 30, 2024 derived from our condensed interim financial statements. The consolidated statement of financial position data as of December 31, 2022 included in this Exchange Offer and Consent Solicitation Memorandum is derived from our audited financial statements and do not reflect such reclassifications. As a result, the consolidated statement of financial position data as of September 30, 2024 and December 31, 2023, as presented in this Exchange Offer and Consent Solicitation Memorandum, is not entirely comparable to the consolidated statement of financial position data as of December 31, 2022 presented in this Exchange Offer and Consent Solicitation Memorandum. See "Presentation of Financial and Other Information—Reclassifications."

(2) As of December 31, 2022, cash and cash equivalents includes restricted cash pledged from certain deposit accounts to fulfill collateral requirements of $39,212 thousand. As a result of the reclassification of such account, as of September 30, 2024 and December 31, 2023, restricted cash pledged from certain deposit accounts to fulfill collateral requirements of $19,608 thousand and $16,311 thousand, respectively, are presented as deposits and other assets, current ($12,851 thousand as of September 30, 2024 and $10,794 thousand as of December 31, 2023) and deposits and other assets, non-current ($6,757 thousand as of September 30, 2024 and $5,517 thousand as of December 31, 2023), in our condensed interim financial statements.

(3) In our condensed interim financial statements, intangible assets and goodwill, net has been segregated into two line items (intangible assets and goodwill). As of December 31, 2022, intangible assets and goodwill, net comprised $1,524,638 thousand of goodwill and $1,368,549 thousand of other intangibles.

(4) In our condensed interim financial statements, we segregated property and equipment, net into separate line items for right of use assets and property and equipment. As of December 31, 2022, property and equipment, net comprised $1,985,457 thousand of right of use assets and $686,452 thousand of property and equipment.

(5) In our condensed interim financial statements, we segregated (i) current portion of lease liability as a separate line item from short-term borrowings and current portion of long-term debt and (ii) long-term lease liability as a separate line item from long-term debt, As of December 31, 2022, (i) short-term borrowings and current portion of long-term debt comprised $132,630 thousand of current portion of lease liability and (ii) long-term debt comprised $1,464,961 thousand of long-term lease liability.

Consolidated Statements of Cash Flows Data

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022
	($ in thousands)			
Net cash provided by (used in) operating activities	$ 658,867	$ 754,788	$ 1,102,414	$ 256,337
Net cash (used in) provided by investing activities	(212,166)	(353,944)	(415,352)	62,620
Net cash (used in) provided by financing activities	(319,822)	(486,955)	(720,682)	(782,770)

Non-IFRS Financial Data

	For the twelve months ended September 30, 2024
	($ in thousands)
Adjusted EBITDAR[(1)]	$ 1,187,382

(1) Adjusted EBITDAR is included as supplemental disclosure. In addition, we use Adjusted EBITDAR to measure our compliance with certain incurrence covenants in our Financial Indebtedness (including, upon consummation of this Offer and Solicitation and the Concurrent Offering, the New Notes and the Refinancing Notes). See "Management's Discussion and Analysis of Results of Operations—Liquidity and Capital Resources," "Description of the New Notes" and "Description of Other Indebtedness." Adjusted EBITDAR has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for non-IFRS measures. Because Adjusted EBITDAR is not determined in accordance with IFRS, it is susceptible to varying calculations and not all companies calculate it in the same manner. As a result, Adjusted EBITDAR, as presented, may not be directly comparable to similarly titled measures presented by other companies. Accordingly, you are cautioned not to place undue reliance on this information. The following table presents a reconciliation of our net income (loss) to Adjusted EBITDAR for the twelve months ended September 30, 2024.

	For the twelve months ended September 30, 2024[(1)]
	($ in thousands)
Adjusted EBITDAR Reconciliation:	
Net income (loss) for the period	$ 53,932
Income tax expense (benefit)—deferred	(18,285)
Income tax expense—current	36,701
Taxes on revenues treated as income taxes locally	3,785
Foreign exchange, net[(2)]	19,296
Equity method income[(3)]	(949)
Interest expense[(4)]	545,079
Interest income	(57,986)
Depreciation of right of use asset	382,316
Other depreciation and amortization	118,557
Impairment of other investments and assets held for sale	1,007
Rentals[(5)]	103,929
Adjusted EBITDAR	**$ 1,187,382**

(1) Adjusted EBITDAR for the twelve months ended September 30, 2024 is calculated as (i) Adjusted EBITDAR for the nine months ended September 30, 2024, plus (ii) Adjusted EBITDAR for the year ended December 31, 2023, minus (iii) Adjusted EBITDAR for the nine months ended September 30, 2023.

(2) Foreign exchange, net includes the effect of the period in realized and unrealized exchange rates differences derived from monetary assets and liabilities, considering the functional currency of the Avianca Group, which is the United States dollar.

(3) Equity method income includes the income earned through our investment in not controlled entities.

(4) Interest expense includes interest expense on borrowings, unwinding of the net-present-values discounts on provisions and changes in the fair value of financial assets. Also includes interest on lease liabilities related to aircraft operating lease agreement under IFRS 16.

(5) Rentals includes variable rent expense for aircraft and engines, short-term contracts and ACMI leases. Does not include rental expense associated with long-term contracts, which are recorded in depreciation of right of use asset and interest expense.

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022	For the twelve months ended December 31, 2019
Passenger operating cost (ex. fuel) [(1)]	$ 1,866,642	$ 1,559,471	$ 2,130,081	$ 1,882,196	$ 3,360,982
Passenger CASK ex-fuel (U.S. cents)[(1)]	3.9	3.9	3.9	4.5	6.2

(1) Passenger operating cost (excluding fuel) and Passenger CASK ex-fuel are included as supplemental disclosure. Passenger operating cost (excluding fuel) and Passenger CASK ex-fuel are important measures used by management and by our board of directors in assessing the quarterly and annual cost performance of our core passenger operations. We believe that passenger operating cost (excluding fuel) and Passenger CASK ex-fuel are useful for investors because they provide investors with an additional measure of the financial performance of our core passenger operations excluding the effects of a significant cost item over which management has limited influence. The price of fuel, over which we have limited control, impacts the comparability of period-to-period financial performance, and excluding the price of fuel allows management an additional tool to understand and analyze our non-fuel costs and core operating performance, and increases comparability with other airlines that also provide a similar metric. We also exclude cargo freighters and courier operating expenses, loyalty operating expenses and corporate costs (mainly in connection with the Chapter 11 Proceedings), as these costs are unrelated to our core passenger operations. We believe that these exclusions may also improve comparability to our Peer Airlines, which may manage their loyalty programs differently than ours and/or may not incur certain corporate expenses equivalent to those resulting from our Chapter 11 Proceedings and, in addition, may not operate a separate freighter operation or may similarly exclude it. We believe these non-IFRS measures are more indicative of our ability to manage the costs of our core passenger operations. Passenger operating cost (excluding fuel) and Passenger CASK ex-fuel have limitations as an analytical tool, and you should not consider them in isolation, or as a substitute for IFRS measures. Because passenger operating cost (excluding fuel) and Passenger CASK ex-fuel are not determined in accordance with IFRS, they are susceptible to varying calculations and not all companies calculate them in the same manner. As a result, passenger operating cost (excluding fuel) and Passenger CASK ex-fuel, as presented, may not be directly comparable to similarly titled measures presented by other companies. Accordingly, you are cautioned not to place undue reliance on this information. The following table presents a reconciliation of our total operating expenses to passenger operating cost (excluding fuel) and Passenger CASK ex-fuel for the periods presented.

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2019
			($ in thousands)		
Passenger CASK ex-fuel Calculation:					
Total operating expenses[(1)]	$ 3,405,015	$ 3,046,363	$ 4,152,582	$ 3,967,768	$ 5,175,778
Aircraft fuel	(1,085,656)	(1,026,271)	(1,416,445)	(1,479,783)	(1,204,058)
Cargo and courier operating expenses	(284,983)	(286,294)	(377,953)	(356,187)	(361,583)
Loyalty operating expenses	(137,156)	(115,625)	(160,995)	(139,409)	(249,155)
Corporate	(30,579)	(58,702)	(67,108)	(110,193)	—
Passenger operating cost (excluding fuel) (a)	**$ 1,866,642**	**$ 1,559,471**	**$ 2,130,081**	**$ 1,882,196**	**$ 3,360,982**
ASKs (thousands) (b)	47,621,786	39,825,349	54,706,097	41,595,924	54,409,824
Passenger CASK ex-fuel (U.S. cents) (a) / (b)	**3.9**	**3.9**	**3.9**	**4.5**	**6.2**

(1) For the years ended December 31, 2023 and 2022, total operating expenses excludes $6,654 thousand and $1,856 thousand, respectively, which were then classified as loss from discontinuing operations. In our condensed interim financial statements, loss from discontinuing operations were reclassified as impairment of other investments and assets held for sale.

	As of September 30, 2024	As of December 31, 2023	As of December 31, 2022
		($ in thousands)	
Gross Debt[(1)(2)]	5,189,854	4,771,610	3,984,835
Adjusted Net Debt[(1)(2)]	4,067,515	3,730,199	3,123,276
Liquidity[(1)(3)]	1,102,731	1,025,100	822,347

(1) We believe that disclosure of Gross Debt, Adjusted Net Debt and Liquidity are useful to potential investors as they provide them with a clearer understanding of our indebtedness and financial liquidity. In addition, we are required to maintain a minimum Liquidity in certain of our Financial Indebtedness (including, upon consummation of this Offer and Solicitation and the Concurrent Offering, the New Notes and the Refinancing Notes). See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," "Description of the New Notes" and "Description of Other Indebtedness."

(2) The following tables present the calculation of our Gross Debt and Adjusted Net Debt for the periods presented.

	As of September 30, 2024	As December 31, 2023	As of December 31, 2022
		($ in thousands)	
Short-term borrowings and current portion of long-term debt[(1)]	$ 224,753	$206,817	$213,043
Current portion of lease liability[(1)]	279,587	269,360	—
Long-term debt[(1)]	2,310,006	2,080,841	3,771,792
Long-term lease liability[(1)]	2,375,508	2,214,592	—
Gross Debt	**5,189,854**	**4,771,610**	**3,984,835**
Cash and cash equivalents (including restricted cash)[(2)]	(913,917)	(783,858)	(816,716)
Short-term investments	(208,422)	(257,553)	(44,843)
Adjusted Net Debt	**4,067,515**	**3,730,199**	**3,123,276**

(1) In our condensed interim financial statements, we segregated (i) current portion of lease liability as a separate line item from short-term borrowings and current portion of long-term debt and (ii) long-term lease liability as a separate line item from long-term debt, As of December 31, 2022, (i) short-term borrowings and current portion of long-term debt comprised $132,630 thousand of current portion of lease liability and (ii) long-term debt comprised $1,464,961 thousand of long-term lease liability.

(2) As of December 31, 2022, cash and cash equivalents includes restricted cash pledged from certain deposit accounts to fulfill collateral requirements of $39,212 thousand. As a result of the reclassification of such account, as of September 30, 2024 and December 31, 2023, restricted cash pledged from certain deposit accounts to fulfill collateral requirements of $19,608 thousand and $16,311 thousand, respectively, were reclassified as deposits and other assets, current and non-current, in our condensed interim financial statements.

(3) We define Liquidity as the sum of unrestricted cash and cash equivalents, short-term investments and the undrawn portion of our revolving credit facilities for a given date. The following table presents the calculation of our Liquidity for the periods presented.

	As of September 30, 2024	As of December 31, 2023	As of December 31, 2022
		($ in thousands)	
Unrestricted cash and cash equivalents	894,309	767,547	777,504
Short-term investments	208,422	257,553	44,843
Undrawn Portion of Revolving Credit Facility[(1)]	—	—	—
Liquidity	**1,102,731**	**1,025,100**	**822,347**

(1) As of the periods presented, our 2022 Revolving Credit Facility was fully drawn, with a total outstanding balance of $100.0 million. The 2022 Revolving Credit Facility was fully repaid and terminated on November 26, 2024 and replaced by our Revolving Credit Facility, with an initial aggregate principal amount of up to $200.0 million, which may be increased by an additional $100.0 million through an incremental facility. As of the date of this Exchange Offer and Consent Solicitation Memorandum, the Revolving Credit Facility remains undrawn. See "Description of Other Indebtedness—Revolving Credit Facility."

Operating Data

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022
Passenger:				
Total Passengers (in millions)	28.2	22.9	32.0	25.0
Capacity (in ASKs in millions)	47,622	39,825	54,706	41,596
RPKs (in millions)	38,905	32,853	45,070	33,944
Load factor	81.7%	82.5%	82.4%	81.6%
Departures (in thousands)	193,920	157,903	218,318	188,670
Block hours	427,268	357,714	493,020	412,283
Average Fare ($)[(1)]	108	120	118	120
RASK (in U.S. cents)	8.0	8.7	8.7	9.7
PRASK (in U.S. cents)	6.4	6.9	6.9	7.2
Passenger yield (in U.S. cents)	7.8	8.4	8.3	8.8
Gallons consumed (in millions)	340.2	293.9	402.9	347.5
Number of employees	13,863	12,988	13,652	14,688
Passenger Operating Fleet at the end of the period	146	127	140	120
Cargo:				
Weight of cargo carried (tons)	398,333	397,266	539,228	548,416
Capacity (in ATKs in millions)	1,945.5	1,976.2	2,630.7	2,462.2
RTKs (in millions)	1,203.5	1,181.2	1,602.3	1,573.8
Load factor	61.9%	59.8%	60.9%	63.9%
Operating revenue per ATK ($)	0.2	0.2	0.2	0.3
Cargo yield ($)	0.4	0.4	0.4	0.5
Freighter Operating Fleet at the end of the period	7	9	10	11

(1) Average fare is defined as the average value that a passenger pays for the air transportation service, including all additional services related to air transport.

RISK FACTORS

Before deciding whether to participate in the Offer and Solicitation and invest in the New Notes you should carefully consider the risks described below, as well as the other information in this Exchange Offer and Consent Solicitation Memorandum. Our business, financial condition, reputation, results of operations, cash flow, liquidity, profit margin and prospects could be negatively affected if any of these risks occurs and, as a result, the trading price of the New Notes could decline and you could lose all or part of your investment. The risk factors discussed below are not the only risks that we face, but are the risks that we currently consider to be material. There may be additional risks that we currently consider immaterial or of which we are currently unaware, and any of these risks could have similar effects to those set forth below.

For purposes of this section, the indication that a risk, uncertainty or problem may or will have a "material adverse effect on us" or that we may experience a "material adverse effect" means that the risk, uncertainty or problem could or will have an adverse effect, which may be material, on our business, financial condition, reputation, results of operations, cash flow, liquidity, profit margin, prospects and/or the market price of our New Notes, except as otherwise indicated or as the context may otherwise require. You should view similar expressions in this section as having a similar meaning.

Risks Related to Our Business

We may not be successful in executing our strategy, which may have a material adverse effect on our business, results of operations and financial condition.

Our growth strategy includes strengthening our presence in our hubs, capturing and retaining passengers across underpenetrated Core Markets, expanding our point-to-point network for our narrow-body Fleet, expanding our wide-body operations to select profitable routes, continuing to grow LifeMiles, driving margin expansion through operational initiatives and executing strategic and accretive merger and acquisition transactions. In developing our strategy, we have made assumptions, including with respect to customer demand for travel, fuel costs, aircraft deliveries, labor market conditions, supply chain constraints, inflationary pressures, foreign exchange fluctuations, borrowing costs, voluntary or mandatory groundings of aircraft, our network, competition, market consolidation and other macroeconomic and geopolitical factors. Actual conditions may be different from our assumptions, potentially significantly, and could cause us to change our strategy.

We face numerous challenges in implementing our growth strategy, including our ability to:

- sustain our cost-efficient operating model;
- continue to realize attractive revenue performance;
- maintain our high level of Aircraft Utilization;
- maintain satisfactory economic arrangements with our executives and employee unions;
- access airports and secure slots located in our target geographic markets where we can operate routes in a manner that is consistent with our costs of operations; and
- maintain and increase profitability.

Our growth is also dependent upon our ability to maintain a safe and secure operation. An inability to hire and retain personnel, maintain suitable arrangements with employee unions, secure the required equipment and facilities in a cost-effective and timely manner, efficiently operate our business, or obtain and maintain necessary regulatory approvals may adversely affect our ability to achieve our growth strategy, which could harm our business. In addition, expansion into new markets may have other risks due to factors specific to those markets. We may be unable to foresee all of the risks upon entering new markets or fail to respond adequately to these risks, and our growth strategy and our business may suffer as a result. In addition, our competitors may reduce their fares and/or offer special

promotions following our entry into a new market. We cannot assure you that we will be able to profitably expand our existing markets or establish new markets.

Our target markets in Latin America include countries with less developed economies that may be vulnerable to more unpredictable economic and political conditions, such as significant fluctuations in GDP, inflation, currency volatility, significant interest rates movements, civil disturbances, government instability, nationalization and expropriation of private assets and changes in the imposition of taxes or other charges by governments. The occurrence of any of these events in markets served by us and the resulting instability may adversely affect our ability to implement our growth strategy.

We cannot assure you that we will be able to successfully execute our growth strategy, our strategy will not result in additional unanticipated costs, the execution of our strategy will not exacerbate other risks described in this Exchange Offer and Consent Solicitation Memorandum, or our strategy will result in improvements in future financial performance. If we do not successfully execute our growth strategy, or if actual results vary significantly from our expectations, our business, results of operations and financial condition could be materially and adversely impacted.

Our cost-efficient business model is one of our primary competitive advantages, but many factors could affect our ability to control our costs.

Our cost-efficient business model is one of our primary competitive advantages. However, we have limited control over some of our costs, including aircraft fuel, aviation insurance, aircraft acquisition costs, airport and related infrastructure costs, taxes, the cost of meeting changing regulatory requirements and our cost to access capital or financing. In addition, the compensation and benefit costs applicable to a significant portion of our employees are established by the terms of collective bargaining agreements, which could result in increased labor costs. We cannot assure you that we will be able to maintain our cost-efficient business model. If our costs increase and we are no longer able to maintain a cost-efficient business model, it could have a material adverse effect on our business, results of operations and financial condition.

We have incurred significant losses from operations in the past, and effected an out-of-court restructuring in 2019 and a bankruptcy reorganization in 2021, and we may not be able to maintain or increase our profitability.

While we had a net income of $8.4 million during the nine months ended September 30, 2024 and $131.4 million during the year ended December 31, 2023, primarily driven by our cost-efficient business model, we had a net loss of $322.3 million during the year ended December 31, 2022. Our significant losses in 2022 were primarily driven by higher jet fuel prices, elevated financing costs, increased competition, increased maintenance expenses, inflation and the volatility of the Colombian peso against the U.S. dollar. We have experienced, and may continue to experience, significant fluctuations in our profitability, including potentially incurring losses.

In addition, we have incurred significant net losses in the past, and we completed an out-of-court restructuring in 2019 and emerged from a bankruptcy proceeding on December 1, 2021. In addition, many South American airlines and low-cost airlines have filed for bankruptcy in recent years, including our Latin American Peer Airlines Aeromexico and LATAM in 2020, as well as Colombian ULCCs Viva and Ultra in 2023, and Gol in 2024. Our and other Latin American airlines' having filed for bankruptcy, notwithstanding our successful emergence, could adversely affect the perception of our business and relationships with customers, employees, contractors or suppliers.

We expect to continue to incur significant expenses as we seek to grow our business, including by expanding our point-to-point operations. A meaningful portion of our expenses are fixed, including wages and salaries of crew and other personnel, Aircraft Lease payments and other financing costs related to aircraft equipment, headquarters facility expenses and information technology system license costs. For example, when we commence a new route, our load factors tend to be lower than those in our established routes, and our advertising and other promotional costs tend to be higher, which may result in initial losses that would have a negative impact on our business, results of operations and financial condition as well as require a substantial amount of cash to fund. We also periodically offer special promotional fares, particularly in connection with the opening of new routes. Promotional fares may have the effect of increasing load factors while reducing our yield on such routes during the period that they are in effect. As a result, we may incur net losses in the future.

We cannot assure you that we will maintain profitability and, even if we do maintain profitability, we may not be able to increase profitability. If we are unable to increase or even maintain profitability, the future trading price of the New Notes offered hereby may be adversely affected.

If our new aircraft are not delivered or placed into service on time and on competitive terms, or if new aircraft do not perform as expected, our business, results of operations and financial condition may be adversely affected.

We have entered into aircraft purchase agreements and our Fleet plan depends on the timely delivery of these aircraft, which is subject to several uncertainties, including the production constraints of our suppliers, unexpected safety or other operational problems that could cause aircraft to be grounded, as has happened with Boeing MAX aircraft operated by other airlines, and our ability to obtain necessary aircraft financing.

Under our Aircraft Leases, we are required to return leased aircraft as scheduled. However, we may be unable to quickly purchase new aircraft or obtain new Aircraft Leases at favorable terms, which may cause us to breach the timing requirements of our old Aircraft Leases. These delays may lead to substantial additional costs. We may also be unable to return leased aircraft and engines on reasonable terms due to the rigorous pre-return inspections, which can lead to lengthy and costly negotiations. In such event, we may be required to continue making lease payments for equipment that is not being used. In certain circumstances, we have failed to return the aircraft on time or fulfill the conditions of our Aircraft Leases and faced contractual sanctions or forced extension of the old Aircraft Lease.

Even if our new aircraft are delivered on time, any difficulties or delays in obtaining necessary certifications from regulatory authorities, registration of the aircraft or parts and other buyer-furnished equipment (such as in-flight entertainment systems), or any non-compliance of the new aircraft and their components with agreed specifications and performance standards, may adversely affect our business, results of operations and financial condition.

Further, we may experience difficulties in integrating new aircraft into our Fleet, including in relation to the additional costs, resources, space, personnel and time needed to hire and train new pilots, technicians and other skilled support personnel to operate new aircraft. Any failure to integrate newly purchased aircraft into our Fleet as planned may require us to seek extensions of the terms for some of our existing leased aircraft, which may require us to operate existing aircraft beyond the point at which it is economically optimal to retire them, resulting in increased maintenance costs.

We depend on a limited number of suppliers for our aircraft and engines, and design defects or mechanical problems with any of the types of aircraft or engines that we operate could adversely affect our business, results of operations and financial condition.

Our simplified aircraft Fleet is one of the core features of our cost-efficient business model. However, as a result of this strategy, we are reliant on a small group of suppliers for our aircraft—Airbus and Boeing—and are thus vulnerable to problems associated with these suppliers, including, among others, in relation to design defects, mechanical problems, labor disruptions, contractual performance, adverse public perceptions and regulatory actions. Supplier concentration risks also extend to the engines that power our aircraft, which are manufactured by CFM International/GE and Rolls Royce.

If Airbus, Boeing, CFM International/GE or Rolls Royce were unable to perform their contractual obligations, or if we are unable to acquire or lease new aircraft or engines from our aircraft or engine manufacturers or lessors on acceptable terms, we would need to find alternative suppliers. If we are required to lease or purchase aircraft from another supplier, we could lose the efficiency and other benefits we derive from our simplified aircraft Fleet. We cannot assure you that any replacement aircraft would have the same operating advantages as the Airbus or Boeing aircraft that we operate or that we could lease or purchase engines that would be as reliable and efficient as the engines that currently power them. We may also incur substantial transition costs, including costs associated with acquiring spare parts for different aircraft models, retraining our employees, replacing our manuals and adapting our facilities.

Additionally, we may be adversely affected by the failure or inability of Airbus, Boeing or CFM International/GE or Rolls Royce to provide sufficient spare parts or related support services on a timely basis.

We would be materially and adversely affected if a design defect or mechanical problem with any of the types of aircraft that we operate were discovered that would ground any of our aircraft while the defect or problem was corrected, assuming it could be corrected at all. Operation of our aircraft could be suspended or restricted by regulatory authorities in the event of any actual or perceived mechanical or design problems. Our business would also be negatively impacted if the public began to avoid flying with us due to an adverse perception of the types of aircraft that we operate stemming from safety concerns or other problems, or in the event of an accident involving those types of aircraft or components. Hidden system failures in aircraft could result in accidents leading to the loss of life of passengers and third parties and damage to third-party property.

For example, in January 2024, the FAA issued an Emergency Airworthiness Directive temporarily suspending service of all Boeing 737 MAX 9 aircraft resulting in the grounding of portions of aircraft fleet in the United States which negatively impacted their financial performance. Similarly, in September 2023, Raytheon announced problems with the geared turbofan ("GTF") engines manufactured by its subsidiary Pratt & Whitney, which resulted in many airlines grounding their A320 fleets and disassembling the engines for inspection and possible maintenance.

We do not currently have any Boeing 737 aircraft or GTF engines in our Fleet or on order. However, if any of the types of aircraft or engines we operate are subject to grounding, our business, results of operations and financial condition could be materially and adversely affected. Airlines that operate a more diversified fleet may be better positioned than we are to manage these types of events.

We are highly dependent on our hubs at BOG and SAL, and we confront particular structural challenges at our BOG hub due to lack of additional capacity in ground and air operations.

Like other airlines, we are subject to delays caused by factors beyond our control, including air traffic congestion at airports, adverse weather conditions and increased security measures, any of which could affect one or more of our hubs or other airports where we operate. Additionally, limited aircraft parking positions and other infrastructure challenges are among the risks we face in trying to improve our operations at our hub airports and at other airports where we operate.

We are highly dependent on our operations at our hubs BOG and SAL, and have become increasingly dependent on our BOG hub as we streamline our network. Many of our routes operate through these hubs, which together accounted for approximately 39.51% of our daily arrivals and departures in 2023 (with BOG accounting for 34.35%). While we are expanding our point-to-point offerings as part of our strategy to increase our network efficiency, many of our operations still rely on a hub-and-spoke structure, which is particularly dependent on the on-time arrival of tightly coordinated groupings of flights to ensure that passengers can make timely connections to continuing flights.

Our BOG hub faces significant traffic congestion due to the lack of infrastructure and standard procedures within air traffic controllers to handle the additional capacity declared by the authority in winter 2023. As a result, our BOG hub is currently handling 74 operations per hour, in comparison to 66 operations per hour in summer 2023. Consequently, there have been incremental flight delays and cancellations. Air traffic control limitations, a reduced number of terminal parking positions for aircraft, infrastructure constraints and recurring adverse weather conditions affect airport capacity and, consequently, our operations.

Airport-related challenges inconvenience passengers, reduce Aircraft Utilization rates, and increase costs, all of which may adversely affect our business, results of operations and financial condition.

Any development that would prevent or delay our access to airports or routes that are significant to our strategy, or our inability to maintain our existing landing rights and slots at reasonable costs, could materially and adversely affect our business, results of operations and financial condition.

We must pay fees to airport operators for the use of their facilities. Passenger taxes and airport charges have increased in recent years and continue to increase, in some cases in a substantial manner. Consistent with this trend, it is possible that the airports we rely on will impose additional, or further increase, passenger taxes and airport charges.

To the extent we are unable to pass these costs onto our customers in the form of increased fares, our business, results of operations and financial condition would be adversely affected. Even if we are able to pass these costs onto our customers in the form of increased fares, that could result in a reduction in demand, which in turn could adversely affect our revenues.

We operate numerous international routes subject to the terms of bilateral or multilateral agreements between and among various countries. We also operate domestic routes within Colombia and, to a lesser extent, Ecuador that are subject to local regulations. We cannot assure you that existing bilateral or multilateral agreements with the countries in which our airlines are based and permits from governments will continue to be in effect. A modification or revocation of one or more bilateral or multilateral agreements could have a material adverse effect on our business, results of operations and financial condition. The suspension or revocation of our permits to operate at certain airports or destinations, the loss of our slots, or the imposition of other limitations on our operations could also have a material adverse effect on our business, results of operations and financial condition. A change in the administration or interpretation of current laws and regulations, or the adoption of new laws and regulations, in any of the countries in which we operate that restrict our routes, use of airports or other access may have a material adverse effect on our business, results of operations and financial condition.

Certain airports that we serve are subject to capacity constraints and impose slot restrictions during certain periods of the day. We cannot assure you that we will be able to maintain current slots or obtain a sufficient number of new slots, gates and other facilities at airports to operate in a manner consistent with our business strategy. It is also possible that airports not currently subject to capacity constraints may become so. In addition, we must use our slots on a regular and timely basis and, in some cases, comply with certain usage or on-time performance requirements, or risk having those slots re-allocated to other airlines. For example, our rights to use slots under the RAC may be suspended based on certain legal grounds, including (i) failure to meet the "use-it-or-lose-it" rule, which states that historical precedence is only granted for a series of slots if the airline can demonstrate to the Aerocivil's satisfaction that the series was operated at least 80% of the time during the period allocated in the previous equivalent season; (ii) misuse, which includes using a type of aircraft different to the one authorized by slot coordinators or exceeding number of frequencies assigned to slots; or (iii) non-compliance with slot allocation timeframes.

Where slots or other airport resources are not available or their availability is restricted in some fashion, we may have to adjust our schedules, change routes or reduce Aircraft Utilization. If we are unable to obtain or maintain favorable take-off and landing authorizations, slots, gates or other facilities at certain high-density airports, especially our hubs, our business, results of operations and financial condition would be materially and adversely affected.

Throughout the COVID-19 pandemic, several airports imposed slot restrictions which limited our ability to operate at an optimal level. In addition, due to the COVID-19 pandemic, Aerocivil limited airport capacity in Colombia by reducing departures and landings per hour. If new outbreaks of contagious diseases with epidemic or pandemic potential occur, the re-implementation of these types of measures by regulators in Colombia or in other countries in which we operate would have a material adverse effect on our business.

Some of the airports to which we fly impose various other operational restrictions, including limits on aircraft noise levels, limits on the number of average daily departures and curfews on runway use, and other airports may adopt similar restrictions, which may adversely affect our business, results of operations and financial condition.

Volatility in our fuel costs or disruptions in our fuel supply could adversely affect our business, results of operations and financial condition.

Aircraft fuel costs constitute a significant portion of our total operating expenses, representing 34.1% and 37.3%, respectively, of our operating expenses in 2023 and 2022. Historically, international and local fuel prices have been subject to wide price fluctuations and, in some cases, sudden disruptions, based on geopolitical developments and supply and demand as well as market speculation. Fuel prices continue to be highly volatile, with market spot prices ranging from a low of approximately $1.92 per gallon to a high of approximately $5.07 per gallon during the period from January 1, 2022 to September 30, 2024.

Fuel availability is also subject to periods of market surplus and shortage and is affected by demand for both home heating oil and gasoline. Events resulting from the Russia-Ukraine conflict, the ongoing conflict between Israel

and Hamas and the expansion of the conflict in the Middle East, including in Lebanon and with Iran, or other oil-producing regions, or the suspension of production by any significant producer, may result in substantial price increases and/or make it difficult to obtain adequate supplies, which would adversely affect our business, results of operations and financial condition. Natural disasters or other large unexpected disrupting events in regions that normally consume significant amounts of other energy sources, or in regions with significant refining capacity, could have a similar effect. We cannot predict the price and future availability of fuel with any degree of certainty and significant increases in fuel prices may add significant pressure on our margins and otherwise harm our business, results of operations and financial condition. Over the past several years, the price of aircraft fuel and crude oil have fluctuated substantially and prices continue to be highly volatile and could increase significantly at any time. In addition to directly impacting our operating costs, fuel price volatility may also make it more difficult to forecast our business.

We sell a significant number of tickets to passengers in advance of travel and, as a result, fares sold for future travel may not reflect increased fuel costs. In addition, our ability to increase ticket prices to offset an increase in fuel costs is limited by the competitive nature of the airline industry and the price sensitivity associated with air travel, particularly leisure travel, and any increases in fares may reduce the general demand for air travel. On the other hand, prolonged low fuel prices could limit our ability to differentiate our product from competitive fares from those of other airlines, by enabling such carriers to, among other things, substantially decrease their costs, fly longer stages or utilize older aircraft more efficiently.

As of September 30, 2024, 47.2% of our fuel at our BOG hub was provided by Organización Terpel S.A. and Terpel Exportaciones CI S.A.S. Our aircraft fuel purchase agreements do not protect us against price increases or guarantee the availability of fuel, and termination of our fuel purchase agreements would require us to renegotiate our fuel supply in a market with a limited number of suppliers, which could result in higher costs for our operations. If we were unable to obtain fuel on similar terms from alternative suppliers, our business, results of operations and financial condition would be adversely affected. Our fuel risk is intensified by the fact that Ecopetrol S.A. ("Ecopetrol"), is the sole supplier of jet fuel in Colombia. If Ecopetrol were to experience any disruption or slowdown in its fuel production or pumping capacity, such as it experienced in August 2024 when a power shortage disrupted production at one of its two refineries in Colombia, resulting in a jet fuel shortage in the country for approximately one day, we, our suppliers or Ecopetrol may be unable to obtain fuel and/or may be forced to import fuel from other countries, as Ecopetrol did in August 2024. As a consequence, we may be required to pay significantly higher prices and/or suspend sales and/or change our flight schedules or patterns, as we did in August 2024, thereby adversely impacting our profitability.

In July 2024, we entered into swap agreements on crack spreads to mitigate the impact of hurricane season on Gulf Coast jet fuel prices. As of September 30, 2024, our hedging position covered 75% of expected fuel consumption in October. Our philosophy is to not hedge systematically against fuel price risk through financial instruments, but rather to pass-through the underlying fuel cost fluctuations to fares in markets with supportive demand dynamics. We do, however, from time to time, enter into hedging positions through financial derivatives to mitigate specific event risks, such as geopolitical uncertainty or extreme weather events that may negatively impact the fuel supply chain.

We cannot assure you that fuel costs will not increase significantly, that we will be able to pass through such increases to ticket prices, that we will implement a fuel hedging program in the future, or, if implemented, that such fuel hedging program will be effective. Even if we are able to hedge portions of our future fuel requirements, we cannot assure you that our hedge contracts will provide an adequate level of protection against increased fuel costs or that the counterparties to our hedge contracts will be able to perform. Our fuel hedge contracts may contain margin funding requirements that could require us to post collateral to counterparties in the event of a significant drop in fuel prices in the future. In addition, our ability to realize the benefits of declining fuel prices may be delayed by the impact of any fuel hedges in place, and we may record significant losses on fuel hedges during periods of declining prices. Any failure of our fuel hedging strategy, significant margin funding requirements or overpaying for fuel through the use of hedging arrangements, or if we are unable to pass through fuel costs to customers, could prevent us from adequately mitigating the risk of fuel price increases and could have a material adverse effect on our business, results of operations and financial condition.

We rely on our strategic alliances and our commercial partnerships, such as our Star Alliance membership, in many countries where we operate in order to carry out our strategy.

We are a party to codeshare agreements and interline agreements with various international and domestic air carriers, which provide that certain flight segments operated by us are held out as our codeshare partners' flights and that certain of our codeshare partners' flights are held out for sale as Avianca flights. We receive revenue from flights sold under these codeshare agreements. More broadly in many of the jurisdictions where we operate, we have found it beneficial to maintain a number of alliances and other commercial partnerships. We rely on these alliances and commercial partnerships to enhance our network and, in some cases, to offer our customers alternative services that we could not otherwise offer. In addition, many of these agreements provide that our LifeMiles members can earn Miles on or redeem Miles on partners' flights, and vice versa. We believe that these arrangements are an important part of our LifeMiles program. If any of our codeshare or interline agreements, strategic alliances, or commercial partnerships, in particular with Star Alliance or its members, deteriorates, or is terminated, our business, results of operations and financial condition may be adversely affected.

Moreover, the loss of a significant partner through bankruptcy, consolidation or otherwise could adversely affect our business, results of operations and financial condition. Our business, results of operations and financial condition could also be adversely affected by the actions of our codeshare or interline partners, for example, in the event of non-performance of material obligations or misconduct, which could potentially result in us incurring liabilities, or poor delivery of services by our codeshare partners, which could adversely affect our brand and customer perceptions and thereby adversely affecting our business, results of operations and financial condition.

We rely on third parties to provide us with parts and services.

We have entered into agreements with, and depend upon, a number of suppliers for our parts and services, including for maintenance. We also have entered into agreements with third-party contractors to provide us with call center services, catering, ground handling and baggage handling and other "above or below the wing" aircraft services. It is our general policy that agreements with suppliers and third-party contractors are subject to termination on short notice by us or our suppliers or third-party contractors. In some cases, we may be required to pay penalties for terminating contracts on short notice. Further, our reliance on suppliers and third-party contractors limits our control over the costs, efficiency, timeliness and quality of those supplies and services. We expect to remain dependent on suppliers and third-party contractors for the foreseeable future. Inability by suppliers and third-party contractors to provide adequate service or meet their contractual obligations, termination of these agreements, or our inability to renew these agreements or to negotiate new agreements with other suppliers and third-party contractors at comparable rates, could adversely affect our business, results of operations and financial condition.

The outbreak or the threat of an outbreak of a contagious disease has in the past and may in the future materially and adversely affect the airline industry.

Outbreaks of contagious diseases with epidemic or pandemic potential, such as the Ebola virus, the Middle East respiratory syndrome, Dengue fever, the bird flu virus, cholera, influenza and, most recently, COVID-19, or fear of such an event or other unknown future outbreaks or pandemics, could materially and adversely affect the airline industry and our business, results of operations and financial condition, including in the following respects:

- diseases may affect the health of our crew and operations personnel, impairing normal flight operations;
- aircraft use may be affected by passengers with contagious diseases or by government measures to avoid the spread of contagious diseases, and aircraft may be grounded until the health and safety of passengers and crew can be guaranteed;
- increased use of virtual meetings and other technology as a substitute for travel and in-person meetings could persist or increase, depressing business travel;
- widespread government-imposed travel restrictions outside of our control could result in severe limitations on our ability to fly and generate revenue. For example, in 2020 both Colombia and El

Salvador, which are home to our hubs, closed their airspace to passenger travel for several months. As a result of this decision, as well as restrictions imposed by federal authorities at most destinations within our network, we further decreased our capacity, aligned with decreased demand, which materially and adversely impacted our financial condition and resulted in our filing for bankruptcy in 2020;

- widespread government-imposed travel restrictions outside of our control could result in additional requests for ticket refunds from customers due to changed or canceled flights. For example, in response to the COVID-19 pandemic in certain jurisdictions where local legislation allowed for reimbursement through airline credits, we facilitated refunds via Universal Air Travel Plan ("UATP") cards, or other similar methods that allow the customer to retain the value of services not provided, for future redemptions with Avianca within a specified time period, while limiting our use of cash for such refunds. However, an outbreak of contagious illness or other major incident causing widespread travel restrictions could result in our being required to pay out a substantial amount of accumulated ticket refunds in cash, which could have an adverse effect on our business, results of operations and financial condition, including our liquidity position; and

- a widespread outbreak of an infectious disease could adversely affect global economic conditions, disrupt supply chains and otherwise negatively impact aircraft manufacturing operations.

Our business, results of operations and financial condition may be materially and adversely affected in the event of an accident or major incident involving our aircraft or aircraft of the types we operate.

An accident or major incident involving our aircraft could result in significant claims by injured passengers and/or relatives and others, as well as significant costs related to the repair or replacement of a damaged aircraft and its temporary or permanent removal from service.

We are required under our Aircraft Leases to insure our aircraft. Additionally, we are required under the laws of the countries where we operate to have liability insurance in place. We believe the coverage and conditions set forth in our liability insurance policies are adequate and in accordance with the practice for international airlines and comply with the requirements of the aviation authorities in the countries where we operate. However, the liability insurance coverage we maintain may not be adequate, in which case we may not be permitted to operate in certain countries or may be forced to bear substantial losses in the event of an accident or a major incident. Our insurance premiums may also increase significantly. Moreover, any accident or major incident involving our aircraft, even if fully insured, or the aircraft of any major airline, especially aircraft of the types we operate, could cause negative public perceptions about us, our aircraft or the air transportation generally, due to safety concerns or other problems, whether real or perceived, which would adversely affect our business, results of operations and financial condition.

Further, there are certain business risks that cannot be insured or that, in line with industry practice, we may leave uninsured, including business disruption, loss of profits or revenue, maintenance and consequential losses arising from mechanical breakdown or losses related to non-compliance by suppliers or repair shops. To the extent that the actual losses we incur arise from these uninsured risks, we may have to assume substantial losses, which may have a material adverse effect on our business, results of operations and financial condition.

Terrorist attacks or hostilities could adversely affect the airline industry and us by decreasing demand and increasing costs.

Any terrorist attack or threat of attack, whether or not involving commercial aircraft, any increase in hostilities relating to reprisals against terrorist organizations, including an escalation of military involvement in the Middle East or otherwise, and any related economic impact could result in decreased passenger traffic and materially and adversely affect our business, results of operations and financial condition.

For example, the terrorist attacks in the United States on September 11, 2001 adversely affected the airline industry. Airline traffic in the United States fell dramatically and airlines experienced increased costs resulting from additional security measures that may become more rigorous. A substantial portion of the costs of these security measures was borne by the airlines and their passengers and, therefore, adversely affected profit margins.

Premiums for insurance against aircraft damage and liability to third parties increased substantially following the 2001 terrorist attacks, and insurers could reduce their coverage or increase their premiums even further in the event of new terrorist attacks, hijackings, airline crashes or other events adversely affecting the airline industry. Certain aviation insurance could become unaffordable, unavailable or available only with amounts of coverage that are insufficient to comply with the levels of insurance coverage required by aircraft lenders and lessors or applicable government regulations. While governments in other countries have agreed to indemnify airlines for liabilities that they might incur from terrorist attacks or provide low-cost insurance for terrorism risks, the governments of the countries where we hold operating certificates, including Colombia and El Salvador, have not indicated any intention to provide similar benefits to us. Increases in the cost of insurance may result in both higher airline ticket prices and decreased demand for air travel generally, which could materially and adversely affect our business, results of operations and financial condition.

We rely on our own and third-party distribution channels to distribute our airline tickets and if we are unable to attract customers to our website and make direct ticket sales, or effectively use third party channels, our business, results of operations and financial condition would be adversely affected.

Direct ticket and ancillary sales through our website and our mobile app, which together represented 50.6% and 43.1% of our passenger operating revenue in 2023 and 2022, respectively, represent our lowest cost distribution channels. Our website and our mobile app also serve as platforms to offer ancillary products and services to increase our revenue from non-ticket sources. Accordingly, it is increasingly important that we are able to attract customers to our website and our mobile app and encourage them to purchase tickets online. Any inability to maintain and/or expand our direct ticket sales through our website or our mobile app could have an adverse effect on our business, results of operations and financial condition.

We also rely on third-party distribution channels, including those provided by or through GDSs, conventional travel agents and OTAs to distribute a significant portion of our airline tickets, and we expect in the future to rely on these channels to also collect a portion of our ancillary revenues. These distribution channels are more expensive and at present have less functionality in respect of ancillary revenues than those we operate ourselves. Certain of these distribution channels also effectively restrict the manner in which we distribute our products generally. To remain competitive, we will need to successfully manage our distribution costs, and improve the functionality of third-party distribution channels. Negotiations with key GDSs, conventional travel agents and OTAs designed to manage our costs, increase our distribution flexibility, and improve functionality could be contentious, could result in diminished or less favorable distribution of our tickets, and may not provide the functionality we require to maximize ancillary revenues. While we currently maintain relationships with the three largest GDS providers—Travelport, Amadeus and Sabre—we cannot assure you that these relationships will continue and remain consistent over time.

In addition, in the last several years there has been significant consolidation among GDSs and OTAs. This consolidation and any further consolidation could affect our ability to manage our distribution costs due to a reduction in competition or other industry factors. Any inability to manage such costs and functionality at a competitive level, or any material diminishment in the distribution of our tickets, could have a material adverse effect on our competitive position, business, results of operations and financial condition. Moreover, our ability to compete in the markets we serve may be threatened by changes in technology or other factors that may make our existing website or mobile app or third-party sales channels impractical, uncompetitive or obsolete.

Further, lobbying, legislative action, and legal action by travel agents may affect our ability to execute on our commercial strategy. For example, in Colombia, legislative initiatives have been proposed that, if adopted, may impact the regulatory environment for airlines, particularly by redefining responsibilities between airlines and travel agencies with respect to consumer claims and implementing mandatory insurance for tickets to protect purchases in case of airlines going bankrupt. If these initiatives are implemented, they could potentially affect our operational procedures and costs. In Chile, although later revoked, a legal action by a travel agent association that challenged direct sales practices has in the past led to a court ruling imposing restrictions on how airlines can promote and sell tickets directly to consumers. These conditions could change without prior notice and could lead to increased costs, reduced flexibility in our sales strategies and potentially lower revenues if we are unable to adapt quickly to new regulations or legal requirements. Also in Chile, a legal action has been initiated against a competitor arguing that the NDC, system discriminates against GDS, increasing costs and complexities for ticket sales and post-sale services and leading the relevant authorities to request access to our GDS contracts, which was subsequently provided to them.

Similar actions could be taken against us, creating an unpredictable regulatory environment that could adversely affect our business and results of operations in those countries.

We may not be able to maintain or grow our ancillary revenue.

We aim to continually grow our stream of passenger-related revenue from our portfolio of ancillary services. During 2023 and 2022, we had ancillary revenues, of $882.2 million and $588.0 million, respectively, which represented 18.5% and 14.5% of our total operating revenue in 2023 and 2022, respectively. We cannot assure you that passengers will pay for additional ancillary products and services or that passengers will continue to choose to pay for the ancillary products and services we currently offer, which would adversely affect our business, results of operations and financial condition.

Consumer protection regulations and laws, including restrictions on, or increased taxes applicable to, charges for ancillary products and services paid by airline passengers, could adversely affect our business, results of operations and financial condition.

We are subject to consumer protection regulations and laws in Colombia, the United States, and other countries in which we operate, including additional restrictions on charges for ancillary products and services paid by airline passengers.

For example, in Colombia, the RAC requires airlines, travel agencies and intermediaries to provide sufficient information to customers on flight details, fare types and all applicable conditions and restrictions. Failure to provide such information, including on unbundling prices for products and services, may result in sanctions. Additionally, the RAC and the Consumer Protection Statute in Colombia provide customers with certain cancellation and withdrawal rights that allow passengers to cancel their travel plans for a full refund. With respect to cancellation rights, any passenger, regardless of the channel used to purchase the ticket, can cancel a flight up to 24 hours prior to departure for a full refund (excluding taxes and fees), less a fee of up to 10% of the fare value. However, cancellation rights do not apply to promotional fares. Withdrawal rights, which apply to tickets purchased through remote sales or online channels, irrespective of promotional fares, allow a passenger to withdraw from a ticket purchase within five days of purchasing, up to five days prior to departure, and receive a full refund. Two additional bills with respect to air transport consumer rights are pending approval by the Colombian Congress. Key changes would include reducing the term for carriers and travel agencies to process refunds upon customer withdrawal from 30 days to 15 days, and allowing the customer to choose their preferred method of payment for the refund. If we were to be found in breach of Colombian consumer protection laws, our reputation, business, results of operations and financial condition could be adversely affected.

In the United States, the DOT issues regulations related to consumer protection and civil rights for air travelers, including requirements related to accommodations for passengers with disabilities. The DOT also reviews carrier responses to consumer complaints and periodically audits airlines to determine whether such airlines have violated any of the DOT rules. If the DOT determines that we are not, or have not been, in compliance with these rules or if we are unable to remain compliant, the DOT may subject us to fines or other enforcement action. The DOT may also impose additional consumer protection requirements, including adding requirements to modify our websites and computer reservations system, which could adversely affect our business, results of operations and financial condition.

On April 30, 2024, the DOT published a final rule concerning enhancing transparency of airline ancillary service fees. The new rule requires online and offline disclosures of certain “critical ancillary services” (which include a first and second checked bag, a carry-on bag, the ability to change and cancel a reservation and any fee applied to a change or cancellation) and updates general ancillary fee disclosure requirements already in place, including maintenance of a webpage listing all ancillary service fees and disclosing critical ancillary service fee information on e-tickets. The rule also requires other disclosures during the booking process related to baggage allowances and policies and change/cancellation policies, as well as updating the advertising requirements related to percent off advertisements and inclusive fare pricing. Carriers were required to begin sharing critical ancillary fee data with ticket agents by October 30, 2024, and must disclose critical ancillary fee information and comply with all other regulatory requirements by April 30, 2025.

In addition, on April 26, 2024, the DOT published a final rule concerning refunds for flights that are cancelled or significantly changed. Under the new rule, which took effect on October 28, 2024, we are required to provide customers with automatic refunds of tickets, in the original form of payment, for flights to, from or within the United States that are cancelled or significantly changed, if the passenger does not accept alternative transportation or alternative compensation and does not travel on the changed flight or alternative flight.

In Europe, the Spanish Ministry of Consumer Affairs recently sanctioned four European ULCCs with more than €150 million for practices considered abusive from a consumer law perspective, including the application of extra charges to travelers for bringing luggage on board or for seat selection when the traveler is accompanied by children.

Rule changes such as these may require significant modifications to our distribution strategy and significant technological investments both in our platforms and in those of our distribution partners and technology partners, including GDSs, travel agencies, PSSs, credit card processors, and banks. We are currently undertaking all the necessary actions to comply with the new DOT regulation within the required timeframe. However, if we fail to do so, or if our compliance strategy is deemed inadequate by the authorities, we may be subject to a non-compliance notice, potential fines or penalties.

If other new laws or regulations are adopted in Colombia, the United States or other countries in which we operate that make unbundling of ancillary products and services impermissible, or more cumbersome or expensive, or if new taxes are imposed on ancillary revenues, our business, results of operations and financial condition could be harmed. Congressional, regulatory agency and other government scrutiny may also change industry practice or the public's willingness to pay for ancillary products and services.

We may be adversely affected if LifeMiles loses business partners or if its business partners change their policies in relation to the granting of benefits to their clients.

LifeMiles relies on its more than 300 commercial partners, including over 100 financial partners, for a significant portion of its gross billings. A decrease in Miles sold to one of LifeMiles' commercial partners for any reason, including a temporary or permanent downturn in their business or financial condition, a decrease in their activity or their development of new loyalty strategies for their respective clients, could adversely affect LifeMiles. In addition, a decision by one or more of these key partners to not participate in the LifeMiles program could adversely affect our business, results of operations and financial condition.

Most agreements with LifeMiles' commercial partners, other than Avianca, have terms of up to seven years and may be terminated or renewed under the same or different terms when they expire. For example, co-branded credit card agreements with financial services companies typically have five to seven-year terms. Agreements with other commercial partners often have shorter terms. In addition, some of these agreements may be terminated prior to expiration in the case of any material uncured breach by LifeMiles. Any such termination or inability to renew these agreements could adversely affect LifeMiles and, consequently, our business, results of operations and financial condition.

We do not exercise control or influence over the commercial policy regarding Miles of several of LifeMiles' partners. Some partners may freely change their policies for accumulating, transferring and redeeming Miles, as well as develop their own platforms for clients to exchange points for rewards, including airline tickets issued by other airlines, and as a result reduce demand for and revenue generated by LifeMiles. Changes in these policies may (i) make the LifeMiles program less attractive or efficient for the clients of its partners and (ii) increase competition in the loyalty program sector, which in turn may reduce the demand for Miles, increase downward pressure on the average price of Miles and adversely affect LifeMiles. If the loyalty program sector does not grow enough to absorb new participants or if LifeMiles does not adequately react to the market or to the policies of its partners, LifeMiles and our business, results of operations and financial condition may be adversely affected.

If actual redemptions by LifeMiles members are greater than expected, or if the costs related to LifeMiles redemptions increase, our business, results of operations and financial condition could be adversely affected.

LifeMiles derives most of its revenues from the sale of Miles. Based on historical data, the estimated weighted average period between the issuance of a mile and its redemption is approximately 10 months. However, LifeMiles cannot control the timing of the redemption of Miles, or the number of Miles ultimately redeemed. LifeMiles uses cash generated by the sale of Miles to pay for redemption costs and maintains a cash reserve to cover estimated future redemptions. As a result, if the redemption costs that LifeMiles incurs in a given fiscal year exceed its available cash and new sales in that period, it may not have sufficient cash on hand to cover all actual redemption costs in that year or future years, which could materially and adversely affect the program.

LifeMiles' main operating expenses relate to the purchase of rewards, particularly airline tickets, in order to satisfy the redemption of Miles by members. Because LifeMiles does not incur redemption-related costs for Miles that are not redeemed and have expired, its profitability depends in part on the estimated percentage of Miles issued that will never be redeemed by members, or "breakage."

LifeMiles' estimate of breakage, which considers most recent and expected member behavior, decreased from a historical average of 20.0% to 16.0% in December 2022, and has remained at that level thereafter. This decrease resulted from more Miles being proportionally accrued through co-branded credit cards, direct sales and conversions to air travel, denoting higher member engagement with the program. Nonetheless, if breakage continues to decrease and LifeMiles is unable to offset this decrease with increased revenue or reduced redemption costs, our business could be adversely affected.

An accumulation of ticket refunds could have an adverse effect on our financial results.

We have agreements with financial institutions and/or acquirers that process customer credit and debit card transactions for the sale of air travel and other services. In some of our credit card processing agreements, under certain circumstances, the acquirers have the right to and may require that we maintain a reserve up to the amount of sales of advance tickets for which we have not yet provided the air transportation. Acquirers may require cash deposits or other collateral reserves to be established or withholding of payments related to receivables to be collected, including if we do not maintain certain minimum levels of flight scheduled completion, unrestricted cash, cash equivalents and short-term investments. Ticket refunds lower our liquidity and an accumulation of such refunds could put us at risk of triggering liquidity covenants in these card processing agreements. This could force us to post cash collateral with the acquirers for advance ticket sales, which may have a material adverse effect on our business, results of operations and financial condition.

We rely on maintaining a high daily Aircraft Utilization rate, which makes us vulnerable to delays.

We seek to maintain a high daily Aircraft Utilization rate (the number of hours we use our aircraft per day). High daily Aircraft Utilization allows us to generate more revenue from our aircraft and is achieved in part by reducing turnaround time at airports, so we can fly more hours on average in a day. However, Aircraft Utilization may be reduced by delays and cancellations arising from a number of different factors, many of which are beyond our control, including air traffic and airport congestion, adverse weather conditions, security requirements, government-imposed travel restrictions, unscheduled maintenance, reduced reliability of our aircraft or engines, operational inefficiencies in airports, infrastructure outages and delays by third-party service providers relating to matters such as fueling, line maintenance and ground handling. On the other hand, high Aircraft Utilization increases the risk that, if an aircraft falls behind schedule during a given day, it could remain behind schedule for several additional days. Any such delays could disrupt our operating performance, leading to customer dissatisfaction due to delayed or cancelled flights and missed connections, which could in turn adversely affect our business, results of operations and financial condition.

Because the airline industry's financial performance is characterized by low profit margins, high fixed costs and relatively elastic revenue, we may be unable to adjust our fixed costs in response to a shortfall in expected revenue or to compete effectively with airlines with greater financial resources or lower operating costs.

The airline industry is generally characterized by low profit margins and high fixed costs, primarily comprising wages and salaries of crew and other personnel, Aircraft Lease payments and other financing costs related to aircraft equipment, headquarter facility and information technology system licensing. While we have sought to increase the resiliency of our business model by focusing on optimizing costs and reducing our dependence on yield pressure, revenues per flight are primarily driven by the number of passengers transported and fares, which may vary significantly depending on several factors which are generally outside of our control, including general economic conditions, weather-related factors and our competitors' pricing strategies. However, the operating costs of each flight do not vary significantly and, therefore, a relatively small change in the number of passengers, fare pricing or traffic mix could have a significant effect on our business, results of operations and financial condition.

As a function of our fixed costs, we may (i) have limited ability to obtain additional financing, (ii) be required to dedicate a significant part of our cash flow to fixed costs resulting from Aircraft Lease and other financing payments and (iii) have a limited ability to plan for, or react to, changes in our business, the industry generally and overall macroeconomic conditions. In addition, volatility in global financial markets may make it difficult for us to obtain financing to manage our fixed costs on favorable terms or at all. Our Aircraft Leases are long term and we are unable to return aircraft quickly should demand fall.

As a result of the foregoing, we may be unable to quickly adjust our fixed costs in response to changes in our revenue. A shortfall from expected revenue levels could have a material adverse effect on our business, results of operations and financial condition.

Our maintenance costs fluctuate over time, and we may be adversely affected by unplanned stoppages related to maintenance.

As of September 30, 2024, our Operating Fleet had an average age of 9.2 years, with our passenger Operating Fleet having an average age of 9.0 years and our cargo Operating Fleet having an average age of 11.9 years. We have substantial maintenance expense obligations, including with respect to our Aircraft Leases. Prior to an aircraft being returned in connection with an Aircraft Lease, we incur costs to restore the aircraft to the condition required by the terms of the underlying Aircraft Leases. The amount and timing of these so-called "return conditions" costs can prove unpredictable due to uncertainty regarding the maintenance status of each particular aircraft at the time it is to be returned and it is not unusual for disagreements to ensue between the airline and the leasing company as to the required redelivery conditions on a given aircraft or engine. Outside of scheduled maintenance, we incur from time to time unscheduled maintenance that is not forecast in our operating plan or financial forecasts, and which can impose material unplanned costs and the loss of flight equipment from revenue service for a significant period of time.

While majority of our maintenance is under long-term agreements, some is purchased on a spot basis. We may be unable to extend our long-term agreements. What we buy on a spot basis is subject to availability, where limited availability may result in our aircraft being grounded longer than predicted, as well as pricing variation. Our long-term agreements allow for adjustments for inflation and while we may have caps on adjustments, they may be insufficient to keep costs from rising. As a result, we may experience increased costs and/or reduced capacity.

Unplanned stoppages or suspensions of operations associated with planned or unplanned maintenance due to mechanical issues, including, for example, any design defect or mechanical problem that would cause our aircraft to be grounded during repair, would adversely affect our operations. We cannot assure you that we would succeed in obtaining all aircraft and parts to solve any defect or mechanical problem, or that we would do so in a timely manner, or that we would otherwise succeed in resolving any defect or mechanical problem, which could result in a suspension of the operations of certain of our aircraft, potentially for a prolonged period of time, and could adversely affect our business, results of operations and financial condition.

Any significant increase in maintenance and repair expenses would have a material adverse effect on our business, results of operations and financial condition.

We operate in a highly competitive industry and actions by our competitors could adversely affect us.

We face intense competition on domestic and international routes from competing airlines and charter airlines in our markets and our loyalty program LifeMiles also faces competition. Airlines compete mainly in the areas of routes, pricing, scheduling (frequency and flight times), on-time performance, customer experience, loyalty programs and other services.

Each year, we may face increased competition from existing and new participants in the markets in which we operate. The air transportation sector is highly sensitive to price discounting and the use of aggressive pricing policies because, once a flight is scheduled, airlines incur only nominal additional costs to provide services to passengers occupying otherwise unsold seats. Increased price competition could adversely affect our business, results of operations and financial condition. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to increase revenue per available seat mile. Other factors, such as flight frequency, schedule availability, brand recognition and quality of offered services (such as loyalty programs, VIP airport lounges, in-flight entertainment, on-board service and other amenities) also have a significant impact on market competitiveness. In addition, the barriers to entering domestic markets are relatively low and we cannot assure you that existing or new competitors in our markets will not offer lower prices, offer more attractive services or increase their route capacity in an effort to obtain greater market share.

Some of our competitors have larger customer bases, as well as greater brand recognition, financial and marketing resources in the markets we serve outside of Colombia. In addition, some of our competitors may receive support from external sources, such as their national governments, which may be unavailable to us. Support may include, among others, subsidies, regulatory facilities, financial support or tax waivers. This support could place us at a competitive disadvantage and adversely affect us.

We compete with legacy network carriers, LCCs and ULCCs. LCC and ULCC business models have gained momentum in the Latin American aviation market, particularly as challenging macroeconomic conditions in Latin America persist and affect consumer purchasing power. Lower costs allow LCCs and ULCCs to offer inexpensive fares which, in turn, allow price sensitive customers to fly or to shift from large to lower cost carriers. LCCs' and ULCCs' operations are typically characterized by point-to-point route networks focused on the highest-demand city pairs, high Aircraft Utilization, single-class service and fewer in-flight amenities. While Colombian ULCCs Viva and Ultra entered liquidation proceedings in 2023, JetSMART started domestic flights in Colombia in 2024, Arajet started international flights from and to Colombia in 2023 and Sky requested permission to start domestic flights in Ecuador in 2024 (which was later withdrawn). Some of these airlines have consolidated alliances or mergers with legacy airlines, such as JetSMART's codeshare alliance with American Airlines. Our strategy places us more directly in competition with LCCs and ULCCs, as we have transitioned our operational model from that of a full-legacy carrier to a hybrid model, with a core cost-efficient passenger business featuring a narrow-body Fleet for substantially all of our routes in the Americas and a wide-body Fleet for long-haul routes, complemented by our cargo operation and loyalty program, which provide further scale and enhance our overall profitability. However, we also continue to compete with legacy network carriers that currently serve some of the routes on which we operate, including our Peer Airlines, among others.

There has been significant consolidation in the Latin American airline industry, including by means of joint business agreements between airlines and acquisitions such as, for example, Delta's joint venture agreement with LATAM, which includes ownership by Delta of an approximately 10% equity stake in LATAM, and American Airlines acquiring a minority interest of and entering into a codeshare alliance with JetSMART, which may allow our competitors to increase their scale, diversity and financial strength. Consolidations in the airline industry and changes in international alliances are likely to affect the competitive landscape in the industry and may result in new airlines and alliances with increased financial resources, more extensive global networks and lower cost structures than us, which could materially and adversely affect our business, results of operations and financial condition.

In addition to traditional competition among airlines, we face competition from companies that provide sea and ground transportation. In the cargo business, due to competition and some effects of the COVID-19 pandemic and the scarcity of containers, companies such as Maersk, CMA CGM and MSC have begun to compete in air transportation; CMA CGM and Air France-KLM airlines agreed to share cargo space in their airplanes; and American

Airlines Cargo and Web Cargo have partnered to increase their destinations. These consolidations, mergers or new alliances might continue to appear, increasing the concentration and levels of competition.

Although our new business model is focused on targeting leisure and VFR demand, technological advancements may limit the desire for air travel, particularly business travel. For example, video teleconferencing and other methods of electronic communication may reduce the need for in-person communication and add a new dimension of competition to the industry as travelers seek lower cost substitutes for air travel.

Furthermore, new competitors may target LifeMiles' business partners and members or enter the loyalty marketing industry. We cannot assure you that such an increase in competition will not have an adverse effect on LifeMiles or, consequently, our business, results of operations and financial condition.

If we are unable to adjust rapidly to the changing nature of competition in our markets, our business, results of operations and financial condition could be adversely affected.

We face increasing competition from other global airlines due to the continuing liberalization of restrictions traditionally affecting airlines and consolidation in the industry.

The global airline industry has been shifting to increasing acceptance of liberalized and "open skies" air services agreements between governments. Colombia has "open skies" agreement with Brazil, Paraguay, Venezuela and the United States. In Latin America, multilateral "open skies" agreements exist among Colombia, Ecuador, Perú and Bolivia (*Comunidad Andina de Naciones*). These "open skies" agreements serve to open markets up to fifth freedom rights (i.e., the ability to carry passengers and cargo from one foreign country to another while en route to/from a home country) and reduce restrictions, such as entrance, designated carriers, aircraft capacity or frequencies.

We expect that governmental authorities will continue to liberalize restrictions on international travel to and from countries, which may involve, among other initiatives, the granting of new route traffic rights, points to be served and frequencies and an increase in the numbers of market participants. As a result of this liberalization, we could face substantial new competition, which may erode our pricing and market share and adversely affect our business, results of operations and financial condition. JetSMART has recently been authorized by Aerocivil to operate as domestic carrier in Colombia. Additionally, Aerocivil granted Emirates Airlines ("Emirates") the right to fly the Bogotá-Miami-Dubai route using fifth air freedom rights, allowing Emirates to transport passengers from and to MIA, a highly competitive and mature market in which Avianca and other airlines, such as LATAM and American Airlines are active.

Our results of operations fluctuate due to seasonality and other factors.

We expect our quarterly operating results to fluctuate due to seasonality, including high vacation and leisure demand occurring during the Easter holiday, the months of July and August and again during the months of December and January. The lowest levels of passenger traffic are typically concentrated in the months of February, March (depending on whether the Easter holiday falls in March or April) and May. As a result, our second semester results are usually better than our first semester results. The actions of our competitors may also contribute to fluctuations in our results of operations. As we enter new markets, we could be subject to additional seasonal variations along with any competitive responses to our entry by other airlines. We are more susceptible to adverse weather conditions, including hurricanes generally during the months of June to November, because of our operations in Central America and the Caribbean. Price changes in aircraft fuel as well as the timing and amount of maintenance and advertising expenditures also impact our operations. As a result of these factors, quarter-to-quarter comparisons of our operating results may not be a good indicator of our future performance. In addition, it is possible that in any future period our operating results could be below the expectations of investors and any published reports or analyses regarding us.

We are dependent on our senior management team and key financial, operational and commercial personnel.

Our success depends to a significant extent upon the efforts and abilities of our senior management team and key financial, operational and commercial personnel. Our employment agreements with members of our senior management team may be terminated by them at any time, subject to any notice and other applicable provisions set

forth therein. Furthermore, in certain countries we are not permitted to have non-competition agreements in place with members of our senior management team after termination of employment.

Failure to effectively manage acquisitions, divestitures, investments, joint ventures and other portfolio actions could adversely impact our business.

Part of our growth strategy may include making significant investments, both in our current markets and in new markets, including in other airlines and other aviation industry participants. For example, in October 2024, we acquired a majority of the economic rights of Wamos Air. However, increased competition in forming and maintaining relationships with other airlines (since there are a limited number of potential arrangements and other airlines and industry participants seek to enter into similar relationships) may make it difficult for us to complete strategic investments on commercially reasonable terms or be able to identify suitable acquisition candidates in the future or acquire them on acceptable terms.

These investments are inherently risky and may not be successful. Future revenues, profits and cash flows of these and future investments and repayment of invested or loaned funds may not materialize due to safety concerns, regulatory issues, supply chain constraints or other factors beyond our control. Where we acquire debt or equity securities as all or part of the consideration for business development activities, such as in connection with a joint venture, the value of those securities will fluctuate and may depreciate. We may not control the companies in which we make investments, and as a result, we may have limited ability to determine their management, operational decisions, internal controls and compliance and other policies, which can result in additional financial and reputational risks. Further, acquisitions and investments create exposure to assumed litigation and unknown liabilities, as well as undetected internal control, regulatory compliance or other issues, or additional costs not anticipated at the time the transaction was completed, and our due diligence efforts may not identify such liabilities or issues, or they may not be disclosed to us. Certain transactions may be subject to corresponding regulatory oversight and approvals.

In addition, if the process of implementing acquisitions, divestitures, investments, joint ventures and other portfolio actions is not successful, it could have a material adverse effect on our business, results of operations and financial condition. We may also incur asset impairment charges related to acquisitions, divestitures, investments or joint ventures that reduce our earnings or comprehensive income. From time to time, we may also divest assets. We may not be successful in separating any such assets, and losses on the divestiture of, or lost operating income from, such assets may adversely affect our business, results of operations and financial condition. Divestitures may also result in continued financial exposure to the divested businesses following the transaction, such as through indemnities or other financial arrangements or potential litigation.

Any damage to our reputation or brand image could adversely affect our business, results of operations and financial condition.

We operate in a public-facing industry and maintaining a good reputation is critical to our business. Our reputation or brand image could be adversely impacted by any failure to maintain satisfactory practices for all of our operations and activities. We are subject to consumer protection laws and regulations in each of the countries in which we operate. In the past, we have received customer complaints related to, among other things, product and pricing changes in connection with our business strategy, customer service and our booking practices. In particular, we have generally experienced a higher volume of complaints when we implemented changes to our unbundling policies, such as charging for seats and baggage. These complaints, together with reports of lost baggage, delayed and cancelled flights and other service issues, may be reported by the public to regulators such as the SIC, Aerocivil and the Delegation for Consumer Protection of the Superintendency of Transportation in Colombia, the DOT in the United States or other applicable regulators in the other countries in which we operate. For example, in Colombia the Delegation for Consumer Protection may address complaints from users by opening administrative investigations that may result in fines. Similarly, in the United States the DOT reviews carrier responses to consumer complaints and periodically audits airlines to determine whether such airlines have violated any of the DOT rules. If the DOT determines that we are not, or have not been, in compliance with these rules or if we are unable to remain complaint, the DOT may subject us to fines or other enforcement actions. Other local regulators may also investigate customer complaints as well, which can result in fines. In addition, if new consumer protection laws or regulations are adopted, our business, results of operations and financial condition could be harmed. Moreover, our having filed for bankruptcy, notwithstanding our successful emergence, could adversely affect the perception of our business and relationships

with customers, vendors, contractors or suppliers. Damage to our reputation or brand image or loss of customer confidence in our services could adversely affect our business, results of operations and financial condition, as well as require additional resources to rebuild our reputation.

Increased use of social media platforms presents risks and challenges.

We are increasing our use of social media as a marketing and communication tool. These platforms provide us, as well as individuals, with access to a broad audience of consumers and other interested persons. Negative commentary regarding our business may be posted on social media platforms, which could be reaching a broader audience, and the inappropriate and/or unauthorized use of certain media platforms by our workforce or others, could cause brand damage or information leakage, including of sensitive information, through external media channels, or could lead to legal implications. Further, as laws, regulations, and different platforms' terms of service rapidly evolve to govern the use of social media, a failure by us, our employees or third parties acting at our direction to abide by applicable laws, regulations and terms in the use of these platforms and devices could subject us to fines or other penalties and, consequently, adversely impact our business, results of operations and financial condition.

We have identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses or fail to maintain an effective system of internal control over financial reporting in the future, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet periodic reporting obligations under the New Notes and our other Financial Indebtedness.

We have identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or condensed interim financial statements will not be prevented or detected on a timely basis. The identified material weakness relates to ineffectively designed and/or operated process-level controls related to journal entries recorded in our SAP ERP system. The material weakness did not result in any material misstatements to our consolidated financial statements.

We have begun to implement a plan to remediate the material weakness described above. As part of the remediation, configuration adjustments in our SAP ERP system were made to ensure accurate identification of users that post journal entries. Our remediation plan also includes redesign of controls to ensure that all journal entries will be reviewed in their entirety by the appropriate level of management to ensure the accuracy of all journal entries. We cannot assure you that these measures will improve or remediate the material weakness.

If we are unable to successfully remediate the existing material weakness in our internal control over financial reporting or if we identify any new material weaknesses or series of significant deficiencies that rise to the level of a material weakness, the accuracy and timing of our financial reporting and the price of our New Notes may be adversely affected. Implementing any appropriate changes to our internal control over financial reporting may divert the attention of our management and employees, entail substantial costs to modify our existing processes and take significant time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal control over financial reporting, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and harm our business.

If we identify any additional material weaknesses or series of significant deficiencies that rise to the level of a material weakness in our internal control over financial reporting in the future or if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our periodic reporting obligations under the New Notes and our other Financial Indebtedness, which could cause an event of default under the New Notes and our other Financial Indebtedness, result in the restatement of our financial statements and cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets and harm our results of operations. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential regulatory investigations and civil or criminal sanctions.

Risks Related to Regulation and Legal Proceedings

Our business is highly regulated and changes in the regulatory environment in which we operate, including relating to safety assessments by regulators, or any non-compliance on our part, may adversely affect our business, results of operations and financial condition.

Our business is highly regulated and substantially depends upon the regulatory environment in the countries in which we operate. Government regulation may limit the scope of our operations and may impose significant costs on us. For example, price controls on fares may limit our ability to effectively apply customer segmentation profit maximization techniques, which use passenger demand forecasts and fare mix optimization, and adjust prices to reflect cost pressures. For instance, when certain significant interruptions to ground connectivity to or from certain regions of Colombia occur, Aerocivil has the authority to require airlines to freeze fares at the previous day's rate, as well as to keep an average of the highest and lowest fares throughout the affected period. We cannot predict or control any actions that governmental entities or the civil aviation authorities in the countries in which we operate may take, which could include price controls on fares.

On December 19, 2024, the Colombian Congress issued Law 2439, which introduced modifications to the current regulation of electronic purchases and refund policies. This new law could negatively impact our current operational processes.

Moreover, regulations such as slot controls can limit our ability to grow and execute our strategy. Colombia's local slot allocation rules are based on the guidelines defined by IATA, known as Worldwide Slot Guidelines. These rules define three categories of airports based on the capacity and demand for use of each airport. In Colombia, the only Level 3 airport is BOG, which means it is the only airport with slot control and as far as we know, there are currently no governmental proposals to introduce changes on slot control regulations or to classify other airports in Colombia as Level 3 airports. However, any changes to slot control regulations could affect Avianca's allocated slots at BOG and, consequently, our network operations.

As of December 31, 2023, 75% of our Fleet was U.S.-registered. The FAA and the European Aviation Safety Agency ("EASA") are our most significant foreign government regulators. The FAA from time to time issues directives and other regulations relating to the maintenance and operation of aircraft that may require significant expenditures. Additional regulations applicable to our operations in the United States and Europe continue to be regularly implemented by various U.S. and European agencies, including the U.S. Transportation Safety Administration ("TSA"), the U.S. Drug Enforcement Agency ("DEA"), and the DOT. We cannot predict or control any actions that the FAA, EASA or any other aviation and consumer protection authorities or other aviation regulators may take, which could include restricting our operations or imposing new and costly regulations. Additionally, we may be affected by governmental safety assessments. For example, our ability to fly to the United States and the benefits of our strategic alliances or commercial relationships are dependent on the FAA's continued favorable safety assessment of each of the countries in which we have based airlines. The FAA periodically audits aviation regulatory authorities, and each country is given an International Aviation Safety Assessment or, IASA, rating. Through the IASA program, the FAA focuses on a country's ability, not the ability of individual air carriers, to meet the ICAO standards. The IASA program results of each of Colombia, Costa Rica, El Salvador and Ecuador are currently "Category 1". As a result, we may continue to increase our service from these countries to the United States and take part in reciprocal code-sharing arrangements with U.S. carriers. However, any of these ratings may be downgraded for a variety of safety and other reasons and we have no control over compliance by local civil aviation authorities with international safety standards. In the case of a downgrade, we will not be able to increase our services (flights to new destinations in the United States) or certify new aircraft for flights to the United States; in addition, our U.S. air carrier codeshare partners will be required to suspend placement of their codes on our flights. This could materially and adversely affect our service to the United States and, consequently, our business, results of operations and financial condition.

We are subject to international bilateral and multilateral air transport agreements in relation to the grant and exchange of air traffic rights between and among different countries for international flights, and local regulations for domestic flights, and if governmental authorities deny permission to us to provide service to domestic and international destinations, our business, results of operations and financial condition may be adversely affected.

International and domestic air service regulations frequently involve political and other considerations beyond our control. Accordingly, a modification, denunciation of or withdrawal of any country in which we operate from one or more bilateral agreements, or suspension or revocation of our permission to operate in certain airports or destinations or the imposition of other sanctions, could have a material adverse effect on our business, results of operations and financial condition. A change in the administration of current laws and regulations or the adoption of new laws and regulations in any of the countries in which we operate that restricts our routes, airports or operations may also materially and adversely affect our business, results of operations and financial condition. We cannot assure you that existing bilateral agreements between the countries in which we are based and to which we fly, and permits from local and foreign governments, will continue.

Certain air services agreements, including the agreement between Colombia and the United States, require that air carriers designated by each country remain substantially owned and effectively controlled by their respective nationals. Although the corporate structure of our airlines does not currently meet this condition, we have received a waiver of this requirement from the DOT. However, we cannot assure that the DOT or the authorities of other important countries in which we operate will not change their commercial aviation policy in the future. Loss of our authorizations in these countries would have a material adverse effect on our business, results of operations and financial condition.

Any violation or alleged violation of anti-corruption, anti-bribery, anti-money laundering and sanctions laws could adversely affect our business, results of operations and financial condition.

We are subject to several anti-corruption laws, including the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA") and similar laws of other jurisdictions. The FCPA generally prohibits companies and their intermediaries from making improper payments to foreign officials with the purpose of obtaining or keeping business and/or other benefits. We cannot assure you that our employees, executives, board members, agents, and the companies to which we outsource certain of our business operations, will not take actions in violation of our anti-corruption, anti-bribery and anti-money laundering policies or applicable law, for which we may be ultimately held responsible. We are also subject to other laws and regulations governing our international operations, including regulations administered by the government of the United States, the United Kingdom and Colombia, including applicable export control regulations, economic sanctions on countries and persons, customs requirements and currency exchange regulations, collectively referred to as Trade Control Laws. In addition, some of our operations now or in the future may be in high-risk legal compliance environments and countries. For example, we currently offer air transportation services to and from Venezuela, which is the subject of various U.S. sanctions, as well as sanctions targeting the Venezuelan government. In addition, in December 2024, we resumed passenger air travel services to and from Cuba and we expect to also resume cargo services utilizing the belly of our passenger aircraft in the near-term. See "—We have resumed flights to destinations in Cuba, which is subject to sanctions." Any allegations or investigation relating to violations of anti-corruption, anti-bribery, anti-money laundering or Trade Control Laws may harm our reputation and adversely affect our business, results of operations and financial condition.

In August 2019, we discovered a business practice whereby, years before, certain employees, including members of senior management, as well as certain members of the board of directors, provided "things of value" to government employees in certain countries, which we believe were limited to free and discounted airline tickets and upgrades. We commenced an internal investigation and retained outside counsel and a specialized forensic investigatory firm to determine whether this practice may have violated the FCPA or other potentially applicable anti-corruption laws. Based on our internal investigation, we improved our policies and implemented additional controls, including limiting the number of persons authorized to issue free and discounted airline tickets and upgrades and requiring additional internal approvals. In August 2019, we voluntarily disclosed this investigation to the U.S. Department of Justice ("DOJ"), the SEC and the SFC. In September 2019, the CSC inspected our Bogotá offices. In February 2020, the Office of the Attorney General of Colombia ("AG"), served us with a search warrant to inspect our offices in order to collect information related to this investigation. The CSC and the AG sent several requests of information that were timely responded by us. In May 2021, the SEC informed us that it had concluded its investigation

and did not intend to recommend an enforcement action against us. To our knowledge and as of the date of this Exchange Offer and Consent Solicitation Memorandum, the CSC's preliminary inquiry has not resulted in the opening of a formal investigation against us. Moreover, we are of the view that the CSC is time-barred from commencing a formal investigation proceeding and should have closed the preliminary inquiry, pursuant to applicable law. No employee or manager related to us has been formally linked to any investigations conducted by the Colombian authorities in connection with such practices.

In January 2020, our primary aircraft supplier Airbus entered into a settlement with authorities in France, the United Kingdom and the United States regarding corrupt business practices. Airbus' settlement with French authorities references a possible request by a then-Avianca "senior executive" in 2014 for an irregular commission payment, which we understand was ultimately not made. As a result of this development, we voluntarily conducted an internal investigation to analyze our commercial relationship with Airbus and to determine if we were the injured party of any improper or illegal acts. This internal investigation was disclosed to the DOJ and the SEC, as well as the SIC and the AG. To our knowledge and as of the date of this Exchange Offer and Consent Solicitation Memorandum, the AG and the SIC are conducting preliminary investigations in this regard, in which they have requested information from us, which has been provided under the principle of active collaboration with authorities. No employee or manager related to us has been formally linked to any investigations conducted by the Colombian authorities. Avianca has presented itself as an injured party to the AG. Formal recognition as an injured party would occur at the indictment hearing, if one is held.

We may be harmed by violations of our ethics and compliance standards.

We have adopted a code of business conduct and ethics applicable to all of our employees and collaborators, which encompasses individuals who work under an employment agreement, provide services to us or act on our behalf, and, in certain circumstances, to suppliers and business partners, and we have internal policies in relation to our management and the conduct of our employees and counterparts. We also have a compliance team who oversees the implementation of these policies, conducts training, verifies compliance with laws and regulations and addresses violations.

However, despite our policies and procedures, our shareholders, employees, counterparties or anyone doing business with us may engage in fraudulent activities, corruption or bribery, unethical behavior or improperly appropriate or manipulate our assets for their personal or commercial advantage. If we believe or have reason to believe that our employees or agents have violated, or may have violated, any of the applicable anti-corruption laws we would be subject to government investigation or external audit of relevant facts and circumstances, which may be onerous and require significant time and attention from our executive officers, result in fines or adversely affect our reputation, business, results of operations and financial condition.

In addition, if we fail to comply with ethics and compliance rules and standards, investors and consumers who value good governance may not be attracted by investment opportunities or our services, respectively, which could decrease our revenues or increase our capital costs. Our failure to prevent, detect or remedy any such behaviors and/or process vulnerabilities in a timely manner could have an adverse material effect on our reputation, business, results of operations and financial condition.

We have resumed flights to destinations in Cuba, which is subject to sanctions.

In December 2024, we resumed passenger air travel services to and from Cuba. We expect to also resume cargo services utilizing the belly of our passenger aircraft in the near-term. We are still unable to estimate the portion that air transportation service to Cuba might represent as a share of our business, though we do not expect it to be significant. Notwithstanding the size of any potential operations in Cuba, the United States administers and enforces broad economic and trade sanctions and restrictions against Cuba, and groups opposed to the Cuban regime may seek to exert pressure on companies doing business in Cuba. U.S. policy towards Cuba has been in flux in recent years and uncertainty remains over the future of U.S. economic sanctions against Cuba and the impact such sanctions will have on our operations, particularly if the United States imposes additional relevant sanctions. While we have been in discussions with the U.S. authorities in respect of our resumption of flights into Cuba and expect to operate any such flights in compliance with all applicable laws, any violations of U.S. sanctions could result in the imposition of civil and/or criminal penalties and have an adverse effect on our business and reputation. Additionally, Title III of the

Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996, or the Helms-Burton Act, provides a cause of action for U.S. nationals to bring claims against any person who traffics in property expropriated by the Cuban government. The scope of any potential claims under the Helms-Burton Act is uncertain and companies with commercial dealings in Cuba have faced claims for damages, and we could face such claims in the future. Moreover, certain U.S. states have enacted or may enact legislation regarding investments by state-owned investors, such as public employee pension funds and state university endowments, in companies that have business activities with Cuba. As a result, such state-owned institutional investors may be subject to restrictions with respect to investments in companies such as ours, which could adversely affect the market for our securities.

In 2019, AVH became aware that it was subject to U.S. jurisdiction for purposes of certain U.S. sanctions laws and regulations administered by the U.S. Office of Foreign Assets Control ("OFAC") as a result of the November 2018 transfer by AVH's parent company Synergy Aerospace Corp. ("Synergy") of approximately 78% of AVH's voting common shares (the "Share Transfer"), from a Panamanian entity to a Delaware limited liability company wholly owned by Synergy. AVH engaged outside counsel and identified that its regularly scheduled commercial passenger flights between cities in Central and South America and Havana, Cuba and related Cuba operations may have constituted inadvertent violations of U.S. sanctions laws and regulations, specifically, of the U.S. Cuban Assets Control Regulations. In September, October and November 2019, AVH submitted to OFAC a voluntary self-disclosure addressing these potential inadvertent violations. In parallel, AVH stopped operating flights to Cuba, terminated all commercial activities in Cuba, stopped selling passenger or cargo tickets involving Cuba (including via its codeshare and interline partners) and terminated its Cuba-related contracts and employees. Furthermore, AVH implemented additional sanctions compliance procedures. On June 16, 2021, OFAC's enforcement division informed AVH of its decision to issue a cautionary letter instead of pursuing a civil monetary penalty or taking other enforcement action, citing in part the extensive remedial measures AVH took upon discovering the violations, as well as the sanctions compliance program it implemented. Since 2021, our ownership structure has further changed as a result of the implementation of the Plan and, subsequently, the Abra Transaction, and as a result we believe we are no longer a "person subject to U.S. jurisdiction" for purposes of certain U.S. sanctions laws and regulations administered by OFAC. However, if, in the future, our ownership structure changes and we become subject to U.S. jurisdiction for purposes of such laws and regulations, we would have to terminate all Cuba-related activities.

We are subject to antitrust laws and regulations in Colombia and the other countries in which we operate, and violations or perceived violations of such laws or regulations could have a material adverse effect on our business, results of operations and financial condition.

We are subject to antitrust laws and regulations in Colombia and the other countries in which we operate, which laws and regulations generally prohibit anticompetitive behaviors and agreements (such as collusion, bid rigging, market distribution with competitors and the abuse of a dominant position) by any entity in the applicable market. Our ability to make strategic investments or acquisitions in the future may be subject to antitrust review or merger control by relevant authorities in Colombia or the other countries in which we operate, and failure or perceived failure to comply with these laws and regulations may result in the imposition of precautionary measures, fines or other sanctions.

Colombian antitrust laws also provide that investigations for alleged antitrust violations may be terminated early without a ruling on whether an infringement occurred, if the authority and the parties subject to the investigation agree on certain commitments to protect the market. We have entered into such commitments in the past and may do so in the future. For example, as a consequence of the closing of an alleged gun-jumping investigation in the context of the acquisition of the economic rights of Viva by IV1L in 2022, our subsidiary Aerovías is subject to a series of such commitments. The failure or perceived failure to comply with such commitments may be deemed as an anticompetitive behavior that could lead to the imposition of fines or other sanctions. On December 15, 2023, a petition was filed to declare the annulment of the termination of the alleged gun-jumping investigation and requested the SIC to reopen it. We intend to challenge such petition and defend ourselves against any subsequent demands or filed actions, though we cannot guarantee we will be successful in any such challenge or defense.

We may incur substantial compliance costs and be subject to severe sanctions if we fail to comply with U.S. and other international drug trafficking laws.

We are required to comply with the drug trafficking laws of Colombia, the United States and the European Union, among other regions and countries, and are subject to substantial government oversight in connection with the enforcement of these laws. For example, the U.S. Foreign Narcotics Kingpin Designation Act and Executive Order 12978 contain a list of persons designated by the U.S. government as drug traffickers, which is periodically updated. Pursuant to these regulations, we may be subject to severe sanctions and reputational harm if we are found by the U.S. government to have intentionally or inadvertently assisted in the international narcotics trafficking activities of a designated person. Although we have adopted policies and procedures designed to promote compliance with anti-money laundering and drug trafficking laws, which include monitoring this list, we cannot assure you that the counterparties with whom we do business will comply with these regulations and it is possible that a counterparty will be designated under these regulations, in which case such counterparty may face severe sanctions and be unable to perform under their agreements with us.

Additionally, we cannot assure you that we will succeed in complying at all times with these laws. In the event that we fail to comply with any U.S. or other foreign international drug trafficking laws, we may be subject to severe sanctions, fines, seizures of our assets (including aircraft operated by us) or the cancellation of our flights, any of which could materially and adversely affect our business, results of operations and financial condition.

Environmental regulation may impose significant additional costs on us, and failure to comply with applicable environmental regulations could adversely affect our reputation, business, results of operations and financial condition.

The airline industry is subject to increasingly stringent global, regional, federal, state, local and foreign laws, regulations and ordinances relating to the protection of the environment, including those relating to particulate emissions, greenhouse gas emissions, climate-related strategy, noise levels, discharges to surface and subsurface waters, safe drinking water and the management of hazardous substances, oils and waste materials. Failure to comply with any environmental regulations and licensing requirements could adversely affect our business, results of operations and financial condition, and could result in the suspension or revocation of operating authorities. Any non-compliance may subject us to administrative and criminal sanctions, in addition to the obligation to remediate and/or to pay damages caused to the environment and third parties, which may result in substantial costs.

In 2016, to address climate change concerns, the ICAO adopted a resolution creating the CORSIA, providing a framework for a global market-based measure to stabilize carbon dioxide emissions in international civil aviation. Under CORSIA, airline operators with annual emissions greater than 10,000 tons of carbon dioxide are required to report their emissions from international flights on an annual basis. Operators must keep track of their fuel use for each individual flight in order to calculate their carbon dioxide emissions. Subject to a phase-in schedule, airline operators will be required to use Sustainable Aviation Fuels ("SAF"), or obtain and retire carbon offset credits corresponding to their carbon dioxide emissions above an established baseline.

The phases for the CORSIA scheme are: (i) Pilot phase from 2021 until 2023, (ii) first phase from 2024 to 2026, during which only flights between nations that volunteer to participate in CORSIA (which includes the United States and most European nations, as well as Ecuador, EI Salvador, Costa Rica and Guatemala, among others) are subject to offsetting requirements, and (iii) second phase from 2027 to 2035, during which most international flights will be subject to offsetting requirements.

Although the impact of CORSIA cannot be fully predicted, it is expected to result in increased operating costs for us and other airlines that operate internationally. Furthermore, there are no companies in Latin America that develop SAF, which hinders availability, supply logistics, and produces an increase in costs associated with the use of SAF for airlines operating in the region.

The proliferation of national regulations and taxes on carbon dioxide emissions in the countries in which we operate, and compliance with environmental regulations generally, could increase our costs. For example, non-carbon neutral companies in Colombia may be subject to a national carbon tax on their purchase of fossil fuels, at a fixed amount per ton or gallon of fossil fuel acquired. The Colombian government implemented a tax reform, which reduced

the carbon tax exemption by 50%, effective as of 2023. Failure to comply with any environmental regulations and licensing requirements could adversely affect our business, results of operations and financial condition, including by suspension or revocation of operating authorizations. Remediation obligations can result in significant costs associated with the investigation and clean-up of contaminated properties, as well as claims for damages initiated by affected parties.

The ongoing success of our brand may depend in part on our ability to achieve our stated sustainability goals or further our sustainability initiatives, and failure to achieve or demonstrate progress towards these goals may expose us to liability and reputational harm.

Regulators, governmental entities, customers, investors, creditors, insurers, employees and other stakeholders are increasingly focused on the sustainability and ESG-related impacts of industry operations and related disclosures. These sustainability-related disclosures, which are subject to rules, regulations and standards for collecting, measuring and reporting that are in some cases still developing, require internal controls and processes that continue to evolve and have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting such expectations, rules, regulations and standards.

The ongoing success of our brand may depend in part on our ability to gather, analyze and report the appropriate data, achieve our stated sustainability goals, further our sustainability initiatives and comply with related federal, state and international binding or non-binding legislation, regulation, standards and accords. It may also depend on the accuracy, adequacy or completeness of our disclosures relating to those goals and initiatives and progress against them, including any promotion of, or any failure to achieve and/or make progress toward our sustainability-related efforts and goals, which are subject to risks and uncertainties that are outside of our control.

We cannot assure you of the extent to which any of our sustainability-related goals will be achieved or that any current or future investments that we make in furtherance of achieving these goals will produce the expected results or meet increasing stakeholder expectations. Moreover, future events could lead us to prioritize other nearer-term interests over progressing toward our current climate or environmental goals based on business strategy, economic, regulatory and social factors or pressure from investors, creditors, insurers, and activist groups or other stakeholders. If we fail—or are perceived to fail—to meet or properly report on our progress toward achieving our climate, environmental or other sustainability-related goals and commitments, or if those goals are not perceived as being sufficiently robust, we could face adverse publicity and reactions from other investors, activist groups, or other stakeholders, which could result in reputational harm or other adverse effects, including potential litigation.

We are subject to risks associated with climate change, including increased regulation of our carbon emissions, changing consumer preferences and the potential increased impacts of severe weather events on our operations and infrastructure.

As customers become more aware of the risks relating to climate change, their preferences around flying may also change, which can pose a risk to our business, results of operations and financial condition. For example, customers may choose to fly less in order to decrease their negative impact to the environment and climate, or opt out of traveling entirely by engaging in virtual meetings instead. Customers may also decide to choose airlines they perceive to be operating and conducting business in a more environmentally sustainable manner based on each airline's reputation and publicized efforts, goals and steps taken to mitigate its environmental impact. Debt and equity investors may also make investment decisions based on ESG ratings or other considerations, which could increase our cost of capital, to the extent we do not comply with certain criteria or expectations.

In addition, climate change may cause severe weather such as increased storms and flooding, rising sea level, wild fires and excessive heat. These conditions could negatively impact our operations and infrastructure. The operational impact can include flight cancelations, flight delays and increased fuel prices, among others. Climate change may even make certain destinations less attractive for visitors if the destination becomes more prone to extreme weather events. All of these factors could result in loss of revenue. We are not able to predict accurately the materiality of any potential losses or costs associated with the physical effects of climate change.

All the countries that are party to the Paris Agreement (which includes Colombia and El Salvador) have agreed to take action to limit the average increase in global temperature to well below 2 degrees Celsius compared to pre-industrial levels and to maximize efforts not to exceed an increase of 1.5 degrees. We are subject to various environmental regulations in the markets where we operate and may become subject to further new regulations in the future, including certain climate-related reporting requirements.

We may become involved in litigation that may have a material adverse effect on our business, results of operations and financial condition.

We have in the past been, are currently and may in the future become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including breach of contract, commercial, employment and other litigation and claims, and governmental and other regulatory investigations and proceedings.

We were named as a defendant in approximately 2,000 cases before labor courts in Brazil in connection with the bankruptcy of Oceanair Linhas Aéreas S.A. ("Oceanair"). On December 30, 2009, Oceanair and Aerovías entered into a trademark licensing agreement that allowed Oceanair to use the Avianca trademark and designator code to operate as "Avianca Brasil." On December 10, 2018, Oceanair filed for bankruptcy court protection with the São Paulo Bankruptcy Courts and in 2019 the ANAC revoked Oceanair's AOC and seized its operations, resulting in the termination of approximately 6,000 employees without severance. More than 2,000 employee claims were filed between 2019 and 2021 in the first-degree labor courts of 18 Brazilian states (Alagoas, Amazonas, Bahia, Ceará, Distrito Federal, Espírito Santo, Goiás, Minas Gerais, Mato Grosso do Sul, Paraná, Paraíba, Pernambuco, Rio de Janeiro, Rio Grande do Sul, Santa Catarina, Sergipe and São Paulo). In the aforementioned labor claims, Aerovías was named as a defendant on the basis that it was part of the same "economic group" as Oceanair due to Oceanair's use of the Avianca trademark and the fact of having Synergy, which was the parent company of Aerovías at the time, as a controlling shareholder in common. Out of these cases, there are 1,272 cases in which Aerovías was included at the beginning of the labor claim, currently representing the amount of $20.9 million, and 805 cases in which Aerovías was included in the enforcement phase. However, for the cases in which Aerovías was included in the enforcement phase, there is still pending discussion in the Federal Supreme Court of Brazil regarding the permissibility of including companies that did not have the opportunity to participate in the prior proceedings.

As of September 30, 2024, there are 292 cases pending in the first-degree courts, 469 cases pending in the second-degree courts, 710 cases pending in the highest courts, and 401 cases in the enforcement phase. Of the 200 cases that were no longer active as of September 30, 2024, we were found liable in 168, for which we have obligations of $5.1 million in damages. We continue to vigorously defend ourselves against the claims.

In addition, our subsidiaries are subject to ongoing income tax proceedings in a number of jurisdictions including Colombia, El Salvador and Ecuador. Aerovías has an income tax proceeding pending in Colombia with respect to the 2018 tax year, in which the Colombian tax authority has challenged the transfer pricing method of certain intercompany transactions claimed as deductible expenses, as well as the depreciation of 44 aircraft on the basis that aircraft used for public transportation were not entitled to depreciation, as they were assets acquired under financial leases. The amount in dispute is approximately $60.3 million. The dispute is currently awaiting a decision of the court of first instance. Taca has an income tax proceeding pending in El Salvador with respect to the 2014 tax year, in which the El Salvador tax authority has challenged certain expenses (flight fees, leasing of aircrafts and maintenance) paid to providers abroad on the basis that Taca did not apply withholding tax. In addition, the El Salvador tax authority is claiming the applicable withholding tax. The amount in dispute is approximately $72.9 million. The dispute is currently awaiting a decision of the court of first instance. Avianca Ecuador has income tax proceedings pending in Ecuador with respect to the 2014, 2016 and 2017 tax years, in which the Ecuadorian tax authority has challenged the transfer pricing method of certain intercompany transactions claimed as deductible expenses. The amount in dispute is approximately $30 million. Moreover, in July 2024, Avianca Ecuador lost in a tax proceeding with respect to the 2015 tax year relating to similar transfer pricing issues, resulting in a judgment of $2.9 million. Avianca Ecuador expects to engage in the near future in a mediation process with the Ecuadorian tax authority with respect to pending proceedings.

For more information, see "Business—Legal and Administrative Proceedings" and Note 27 to our audited financial statements and Note 19 to our condensed interim financial statements included in this Exchange Offer and Consent Solicitation Memorandum. Any claims asserted against us or our management, regardless of merit or eventual

outcome, could be harmful to our reputation and brand and have an adverse impact on our relationships with our customers, commercial partners and other third parties and could lead to additional related claims. Such matters can be time consuming, divert management's attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, results of operations and financial condition.

Risks Related to Information Technology and Intellectual Property

We rely on automated systems to operate our business, and any failure of these systems could adversely affect our business, results of operations and financial condition.

We rely on automated systems and technology to operate our business, enhance customer service and reduce operating expenses. The performance and reliability of our automated systems and data center infrastructure is critical to our ability to operate our business and compete effectively in the market. These systems include our computerized airline reservation system, flight operations system, telecommunications systems, website, engineering and maintenance systems, check-in kiosks, in-flight entertainment systems and our primary and secondary data centers. Our computerized airline reservation system and website must be able to accommodate a high volume of traffic and deliver important flight information. These systems require upgrades or replacement periodically, which involve implementation and other operational risks. We may be adversely affected if we fail to operate, replace or upgrade our automated systems or data center infrastructure. There have been instances in the past where applications and technology infrastructures have had failures, whether due to the fault of the system provider or the airline, with a significant adverse effect on the airline's operations, and such a malfunction has in the past and could in the future occur on our system, or in connection with any system upgrade or migration in the future.

In certain cases, we rely on third-party providers of automated systems, cloud computing and data center infrastructure, including for technical support. We contractually require our third-party service providers to comply with security and continuity of service requirements, however, if these providers were to fail to adequately provide technical support for any one of our automated systems or if new or updated components were not integrated smoothly, we could experience service disruptions, which could result in the loss of important data.

Any failure of the technologies and systems we use could materially adversely affect our business, results of operations and financial condition. In particular, if our reservation system fails or experiences interruptions, and we are unable to book seats for a period of time, we could lose a significant amount of revenue as customers book seats on other airlines, and our reputation could be harmed. In addition, replacement technologies and systems for any service we currently utilize that experiences failures or interruptions may not be readily available on a timely basis, at competitive rates or at all. Furthermore, our current technologies and systems are heavily integrated with our day-to-day operations and any transition to a new technology or system could be complex and time-consuming. In the event that one or more of our primary technology or systems vendors fails to perform, and a replacement system is not available or if we fail to implement a replacement system in a timely and efficient manner, our business, results of operations and financial condition could be materially adversely affected.

Our aircraft employ a number of sophisticated radio and satellite-based navigation and safety technologies, and we are subject to risks associated with the introduction or expansion of technologies that could interfere with the safe operation of these flight systems. For example, although the relevant regulators in some of the countries in which we operate, including the FAA in the United States and the Ministry of Information Technologies and Communications ("MINTIC") in Colombia, have taken extensive steps to ensure that newly activated 5G wireless communications systems can coexist safely with flight operations, the deployment of 5G wireless communications or restrictions by governmental authorities as a result thereof, could potentially result in flight cancellations, diversions and delays, or could result in damage to our aircraft or other equipment and a diminished margin of safety in airline operations, which could adversely affect our business, results of operations and financial condition.

Furthermore, our automated systems cannot be completely protected against events that are beyond our control, including natural disasters, computer viruses, other security breaches or telecommunications failures. Substantial or sustained failures in our automated systems could impact customer service and ticket sales. We cannot

assure you that the security and disaster recovery measures and change control procedures we have implemented are adequate to prevent failures that could materially and adversely affect our business, results of operations or financial condition.

Any interruption, destruction, leakage or loss of data in our information technology systems or those of our suppliers, providers or business partners, including at LifeMiles, due to cyberattacks could materially and adversely affect our reputation, business, results of operations and financial condition.

We and our business partners, suppliers and service providers are subject to a variety of information technology and system cyber threats as a part of our normal course of operations, including computer viruses or other malware, cyber-fraud, data breaches and destruction or interruption of our information technology systems by third parties or our own personnel. Any of these or other events could cause interruptions, delays, loss of critical or sensitive data, misappropriation of or unauthorized access to personal or sensitive data or failure to comply with regulatory or contractual obligations with respect to such information, which could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, any of which may adversely affect us, our business, reputation, results of operations and financial condition.

We must manage increasing legislative, regulatory and consumer focus on privacy issues, data security and cybersecurity risk management in a variety of jurisdictions across the globe. For example, the EU's General Data Protection Regulation imposes significant privacy and data security requirements, as well as potential for substantial penalties for non-compliance that have resulted in substantial adverse financial consequences to non-compliant companies. Depending on the regulatory interpretation and enforcement of emerging data protection regulations and industry standards, our business operations could be impacted, up to and including being unable to operate, within certain jurisdictions. Also, some of our commercial partners, such as credit card companies, have imposed data security standards that we must meet and for which we must obtain certification. We will continue our efforts to meet our privacy, data security and cybersecurity risk management obligations; however, it is possible that certain new obligations or customer expectations may be difficult to meet and could require changes in our operating processes and increase our costs.

Additionally, we must manage the increasing threat of continually evolving cybersecurity risks. Our network, systems and storage applications, and those systems and applications maintained by our third-party commercial partners (such as cloud computing companies, credit card companies, regional airline carriers and international airline partners) may be subject to attempts to gain unauthorized access, breach, malfeasance or other system disruptions, including those involving criminal hackers, denial of service attacks, hacktivists, state-sponsored actors, corporate espionage, employee malfeasance and human or technological error. In some cases, it is difficult to anticipate or to detect immediately such incidents and the damage caused thereby. In addition, as attacks by cybercriminals become more sophisticated, frequent and intense, the costs of proactive defense measures have increased and may continue to increase. Several large organizations in recent years have been affected by "ransomware" attacks, and these highly publicized events may embolden individuals or groups to target our systems or third-party systems on which we rely. Furthermore, our remote work arrangements may make us more vulnerable to targeted activity from cybercriminals and significantly increase the risk of cyberattacks or other security breaches. While we continually work to safeguard our network, systems and applications, including through risk assessments, system monitoring, cybersecurity and data protection policies, processes and technologies and employee awareness and training, and seek to require third-parties to adhere to security standards, we cannot assure you that such actions will be sufficient to prevent cybersecurity incidents or data breaches or the damages that result therefrom.

In an attempt to avoid materialization of potential risks, we have put in place cybersecurity governance, which includes technological and process controls. We are currently PCI-DSS certified with regard to credit card data protection obligations. Additionally, we are certified under ISO/IEC 27001:2022. Even though we will continue our efforts to protect the systems and information, these cyber threats are constantly evolving and becoming more sophisticated and therefore such efforts may not be successful, and we may not be able to prevent the materialization of all risks of data breaches, incidents or cyber-attacks.

Any such cybersecurity incident or data breach could result in significant costs, including monetary damages, operational impacts, including service interruptions and delays, and reputational harm. Furthermore, the loss, disclosure, misappropriation of or access to sensitive company information, customers', employees' or business

partners' information or our failure to meet our privacy obligations could result in inquiries, investigations, legal claims or proceedings, penalties and remediation costs. A significant data breach or our failure to meet our data protection obligations may adversely affect our operations, reputation, relationships with our business partners, business, results of operations and financial condition. Like other large multinational corporations, we have experienced cybersecurity incidents, including incidents impacting the systems of our suppliers, some of which have required us to make notifications to affected individuals and regulatory authorities. These incidents have not had a material impact on our operations, but we cannot assure that we will not experience additional incidents that may materially and adversely affect our business, results of operations and financial condition.

If we are unable to protect our intellectual property rights, specifically our trademarks and trade names, our business, results of operations and financial condition could be adversely affected.

We have the right to use certain trademarks and trade names in connection with our business, including, but not limited to, *AVIANCA* and *LIFEMILES*, pursuant to intra-company licensing agreements. We believe that these trademarks and trade names and other related intellectual property are important to the success of our business. We and our affiliates protect our and their respective intellectual property rights through a variety of methods, including, but not limited to, applying for and obtaining trademark protection in Colombia, Central America, the United States and certain other countries where we operate. Any violation of our intellectual property rights (including rights granted to us under the licenses referenced above) or refusal to record such rights in foreign jurisdictions may result in measures to protect these rights through litigation, oppositions, appeals or otherwise, which could be expensive and time consuming. If we or our affiliates fail to adequately protect intellectual property rights, our business, results of operations and financial condition could be adversely affected.

Our business relies on intellectual property and technology license agreements with third parties. If such licenses cease to be available on commercially reasonable terms, or if we or such third parties fail to comply with obligations under these agreements, we may lose license rights that are critical to our business and may face a material adverse effect on our business, results of operations and financial condition.

We license, subscribe or otherwise receive access to certain intellectual property and technology that are important to our business, and in the future, we may enter into additional agreements that provide us with licenses, subscriptions or access to valuable intellectual property or technology. If we are not able to negotiate or renew these agreements, or if we enter into or renew such agreements on unfavorable or less favorable terms, our business, results of operations and financial condition may be adversely affected. If we fail to comply with the obligations under our agreements, we may be required to pay damages or such agreements (or certain rights granted therein) may be terminated, which could disrupt our operations and harm our reputation. Our business may suffer if the third parties from whom we license, subscribe or otherwise receive access to intellectual property rights fail to enforce their rights in the applicable intellectual property against infringing third parties, or if the applicable intellectual property rights are found to be invalid or unenforceable.

While we believe that we have all appropriate licenses, subscriptions or other means of access from third parties to use all of the technology and software in our business, third parties may allege that we are infringing their rights in such technology or software, and may commence litigation against us. Even if we are successful in defending against such litigation, this could be expensive and time consuming and could have an adverse effect our business, results of operations and financial condition.

Additionally, in the future, we may identify additional third-party intellectual property and technology we need, including to develop and offer new products and services. However, rights to such intellectual property and technology may not be available on acceptable terms or at all. Further, third parties from whom we currently license, subscribe or otherwise receive access to intellectual property rights and technology could refuse to renew our agreements upon their expiration or could impose additional terms and fees that we otherwise would not deem acceptable, requiring us to obtain the intellectual property or technology from another third party, if any is available, or to pay increased fees or be subject to additional restrictions on our use of such third party intellectual property or technology.

Risks Related to Human Capital

We may be unable to attract and retain qualified, skilled employees necessary to operate our business or may be unable to maintain our company culture, which could have an adverse effect on our business, results of operations and financial condition.

Our business is labor intensive. We require large numbers of pilots, flight attendants, maintenance technicians and other highly skilled personnel. We compete against other airlines for this highly skilled personnel and certain airlines offer wage and benefit packages exceeding ours. The airline industry has from time to time experienced a shortage of qualified personnel. In particular, as more pilots in the industry approach mandatory retirement age, the airline industry may be affected by a pilot shortage. We may also face shortages of qualified aircraft mechanics and dispatchers. As is common in our industry, we have at times faced considerable turnover of our skilled employees, many of whom have left us to work in countries where compensation is higher, requiring us to attract new skilled employees. Should the turnover of skilled employees (particularly pilots and maintenance technicians) increase, our training expenses would increase. We cannot assure you that we will be able to recruit, train and retain the managers, pilots, maintenance technicians and other operating employees that we need to continue our operations or replace departing employees, which could adversely affect our business, results of operations and financial condition.

As a result of the foregoing, we may not be able to attract or retain qualified personnel or may be required to increase wages. If we are unable to attract and retain qualified, skilled employees necessary to operate our business, our business could be harmed and we may be unable to implement our growth plans. In addition, as we hire more people and grow, we believe it may be increasingly challenging to continue to maintain our company culture. Our company culture, which we believe is one of our competitive strengths, is important to providing dependable customer service and having a productive, accountable workforce that helps keep our costs low. As we continue to grow, we may be unable to identify, hire or retain enough people who meet the above criteria, including those in management or other key positions.

In addition, our company culture could otherwise be adversely affected by our growing operations and geographic diversity. If we fail to maintain the strength of our company culture, our competitive ability and our business, results of operations and financial condition could be harmed.

Increases in labor costs, union disputes, employee strikes and other labor-related disruption may adversely affect our business, results of operations and financial condition.

We operate in a labor-intensive industry that is subject to the effects of conditions in the labor market, including strikes, work stoppages, protests, lawsuits and changes in employment regulations, increases in wages, controversies regarding salary and labor allowances and the negotiation of collective bargaining agreements that, individually or in the aggregate, could adversely affect our business, results of operations and financial condition. We have been affected by these types of labor-related developments in the past and we cannot assure you that these will not occur again.

Many of our employees are members of labor unions, and we may be adversely affected if we fail to maintain harmonious relationships with these labor unions, which could lead to strikes, work stoppages or other labor disruptions by employees. Given that a significant portion of our operations are in Colombia, we are highly and particularly sensitive to labor disruptions affecting the Colombian market. For example, in 2017, a 51-day long strike (the longest strike in civil aviation history) of approximately 700 members of the Colombian Association of Civil Aviators pilots' union resulted in the cancellation of approximately 21% of our flights in the last four months of 2017.

Our labor costs may increase significantly as a result of our renegotiation of collective bargaining agreements. If we are not able to pass these increased costs onto our customers through inflation-based price increases, or if we breach any of the collective bargaining agreements we are party to, our business, results of operations and financial condition may be materially and adversely affected.

Risks Related to Colombia and the Latin American Regions in Which We Operate

Our performance is highly dependent on macroeconomic and political conditions in the countries in which we operate.

Certain key factors affecting our performance, including passenger demand for air travel, are cyclical and highly dependent on global and local macroeconomic conditions, economic and political expectations, inflation and foreign exchange rate fluctuations. A significant portion of our revenue derives from discretionary travel, as our new business model focuses more on the leisure and VFR passenger segment that is especially sensitive to economic downturns. Additionally, any perceived downturn in the economic conditions in our Core Markets or the other countries in which we operate could adversely affect our ability to obtain financing to meet our future capital needs in international capital markets. Changes in economic or other governmental policies, including relating to interest rates, exchange rates, exchange controls, inflation rates, taxation, banking, labor, regulatory, legal or administrative practices, expropriation measures, or other macroeconomic or political developments, including political instability, social disturbances or high levels of organized crime, in the countries in which we operate could materially and adversely affect our business, results of operations and financial condition. In addition, Latin American governments have historically exercised substantial influence over their respective economies, and their policies are likely to continue to have a significant effect on companies operating in these countries, including us. We cannot predict what policies the governments in these countries will adopt and consequently cannot assure you that future developments in government policies or in the economies of these countries will not adversely affect our business, results of operations or financial condition.

Our performance is highly dependent on macroeconomic and political conditions in Colombia.

Our performance is highly dependent on macroeconomic and political conditions in Colombia, as our operations in Colombia represented 43.6% of our total operating revenue in 2023. Economic growth or contractions, inflation, exchange rate fluctuations and political and regulatory developments, including changes in law, regulation, or policy, political instability or internal security issues, may affect the overall business environment in the country and may, in turn, adversely affect our business, results of operations and financial condition.

In 2024, Colombia's inflation showed a favorable downward trend from the high 9.3% rate of 2023. The Colombian Central Bank, or BanRep, responded with gradual rate cuts to support this disinflationary path. By the first quarter of 2024, inflation remained above the 3.0% target but continued to decline, with BanRep projecting alignment with the target by 2025. Moreover, Colombia is the second country in Latin America with the highest tax burden in the aeronautical sector (according to IATA) and the fifth with the highest airport rates (according to ALTA). Airport taxes and fees represent up to 28% of the price of a ticket in Colombia and up to 50% of international tickets, according to IATA. These aspects limit the competitiveness of companies in the sector.

Colombia's central government fiscal deficit and growing public debt could adversely affect the Colombian economy. According to the IMF, GDP growth in 2024 is expected to be one of the slowest years in the current economic cycle for Colombia after an already weak 2023. According to the IMF, Colombian's fiscal deficit was 2.7% of GDP in 2023 and 6.2% of GDP in 2022. According to projections published in December 2023 by the Ministry of Finance and Public Credit, the Colombian government expected a fiscal deficit of 5.3% of GDP for the year 2024.

President Gustavo Petro, who took office in August 2022, inherited high government spending levels, and measures to meet fiscal targets led to protests around the country. Furthermore, although in recent history Colombian administrations have pursued free market economic policies with minimal economic interventions, the current government and its supporting parties in the Colombian Congress have pursued a series of reforms aimed at intervening in Colombia's economy by proposing significant changes to fiscal, regulatory, health, education, pension, and labor policies. For example, a pension reform bill was approved by the Colombian Congress on June 14, 2024 and signed by President Petro on July 16, 2024, and is expected to take effect in July of 2025. Additionally, the Colombian Chamber of Representatives approved a health reform bill on December 6, 2023, which seeks to transfer control of health services and resource administration from private health providers to government-owned entities. However, this health reform was shelved on April 5, 2024, by the Colombian Senate, and there is still uncertainty surrounding future reforms related to this matter. A new health reform bill was presented on September 13, 2024 before the Colombian Congress, which in summary proposes a complete restructuring of the health system in

Colombia, including the administration and transfer of the system's resources and the reassignment of different responsibilities of the actors within the system. Furthermore, the Colombian House of Representatives approved on October 17, 2024, a labor reform bill that strengthens worker protections by expanding paid leave, setting limits on fixed-term contracts, and gradually increasing holiday and Sunday pay and start time for overtime pay moved from 9 pm to 7 pm. This pay adjustment will rise from 75% to 80% in 2025, 90% in 2026, and reach 100% by July 2027. Among the proposed changes, the reform requires digital platforms with independent workers to cover part of their social security contributions. In addition, the reform transforms the apprenticeship contract into a fixed-term special employment contract. The remuneration during the academic phase increases from 50% to 60% of the legal minimum wage per month, and during the productive phase it increases from 75% to 100% of the legal minimum wage per month. The payment to avoid the engagement of apprentices increases as well from 1 legal minimum wage per month to 1.5 minimum wages per month. However, the bill still needs Senate approval, where it may face challenges. If enacted, the reform could increase labor costs, potentially discouraging hiring—particularly among small and foreign businesses—and may drive more workers into informal employment. While the reform aims to protect workers' rights, critics argue it could restrict job creation and reduce economic flexibility, potentially impacting Colombia's competitiveness and economic growth. We cannot predict what policies will be adopted by the Colombian government and whether those policies will adversely affect the Colombian economy and, consequently, our business, results of operations, and financial condition.

In recent years, in Latin America, as in the rest of the world, the political spectrum has become more polarized, which could increase instability and political risk.

Moreover, any downgrade of Colombia's credit rating due to these or other factors could adversely affect the Colombian economy and our business, results of operations and financial condition.

Latin American governments have exercised and continue to exercise significant influence over their economies.

Governments in Latin America frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions have often involved, among other measures, price controls, currency devaluations, mandatory increases of wages and employee benefits, capital controls, limits on imports, nationalizations and expropriations.

Our business, results of operations and financial condition may be adversely affected by changes in government policies or regulations, including such factors as exchange rates and exchange control policies, inflation control policies, price control policies, consumer protection policies, import duties and restrictions, liquidity of domestic capital and lending markets, electricity rationing, tax policies, including tax increases and retroactive tax claims, and other political, diplomatic, social and economic developments in or affecting the countries where we operate.

For example, the Colombian government and the Central Bank may seek to implement new policies aimed at controlling further fluctuation of the Colombian peso against the U.S. dollar and fostering domestic price stability. The Colombian Central Bank may impose certain mandatory deposit requirements in connection with foreign-currency denominated loans obtained by Colombian residents, including us. Although there is currently no deposit requirement, we cannot predict or control actions by the Central Bank in respect of deposit requirements. The use of such measures by the Central Bank may be a disincentive for us to obtain loans denominated in a foreign currency. The U.S. dollar/Colombian peso exchange rate was COP 3,822.05 per $1.00 and COP 4,800.20 per $1.00 as of December 31, 2023 and 2022, respectively. We cannot assure you that the Colombian peso will not depreciate or appreciate relative to other currencies.

In the future, the level of intervention by Latin American governments may continue or increase. We cannot assure you that these or other measures will not have a material adverse effect on the economy of each respective country and, consequently, will not adversely affect our business, results of operations or financial condition.

Colombia, El Salvador, Ecuador and certain other countries in which we operate have and continue to experience internal security issues that have had or could have a negative effect on their respective economies.

Colombia has experienced periods of criminal violence over the past five decades, primarily due to the activities of guerilla groups and drug cartels. Colombia is currently implementing the peace treaty signed with the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia,* or "FARC"). There are presently a number of other illegal armed groups in Colombia, such as the National Liberation Army (*Ejército de Liberación Nacional,* or "ELN"), among others. Furthermore, the Colombian government has started peace negotiations with several rebel groups throughout the country, yet negotiations are at a very early stage. For instance, the Colombian government relaunched peace negotiations with the ELN in November 2022, which are currently affected in light of the recent presidential elections in Venezuela. In August 2023, the Colombian Government and the ELN reached a six-month cease-fire agreement, which was extended until August 3, 2024. Notwithstanding the implementation of these peace treaties and dialogues, the successful integration of illegal armed groups into Colombian society may not be achieved. An escalation of violence or drug-related crime may have a negative impact on the Colombian economy and on passenger demand for air travel and, consequently, on our business, results of operations and financial condition.

El Salvador has a political history marked by long periods of civil unrest and military rule. From 1979 to 1991, El Salvador was involved in guerrilla activities, which ended with a peace agreement signed in January 1992. The Nationalist Republican Alliance Party (*La Alianza Republicana Nacionalista*, or "ARENA") controlled the presidency from 1989 to 2009, at which time the Farabundo Martí National Liberation Front (*Frente Farabundo Martí para la Liberación Nacional*, or "FMLN") a former guerrilla organization turned into a political party, won the presidential elections and ruled continuously for 10 years. In June 2019, Nayib Armando Bukele Ortez, a former member of the FMLN until his removal, assumed the presidency. He is the first president since the end of the civil war who is not a member of ARENA or FMLN. He faces challenges relating to national security, primarily from gang-related crimes. In February 2020, President Bukele initiated a political crisis when he instructed the military to march into parliament to demand a loan of $109 million to address national security. In March 2022, the legislative assembly declared a state of exception, suspending certain constitutional guarantees in an effort to fight criminal gangs. This suspension of constitutional guarantees is still in effect as President Bukele was re-elected in February 2024.

In Ecuador, the government of President Daniel Noboa, who took office in November 2023, is dealing with a turbulent political situation and internal violence, marked by an increase in criminality driven by the infiltration of foreign drug cartel networks operating within Ecuador. In January 2024 President Noboa declared a nationwide state of emergency to manage domestic security concerns, which remained in place until April 8, 2024 when it was replaced with a new declaration of internal armed conflict, resulting in the cancelling of curfews but continuing to allow the military to continue to conduct security operations throughout the country.

Similarly, certain other countries in which we operate have and continue to experience internal security issues that have had or could have a negative effect on their respective economies.

Fluctuations in foreign exchange rates and restrictions on currency exchange could adversely affect our business, results of operations and financial condition.

The currency used by us is the U.S. dollar in terms of setting prices for our services and presenting our financial statements. We sell most of our services in U.S. dollars or prices equivalent to the U.S. dollar, and a large part of our expenses are also denominated in U.S. dollars or equivalents to the U.S. dollar, particularly fuel costs, Aircraft Leases, insurance and aircraft components and accessories.

In 2023, 76.6% of our total operating expenses and 76.4% of our total operating revenue were denominated in, or linked to, U.S. dollars. The remainder of our total operating expenses and total operating revenue were denominated in currencies of the countries in which we operate, of which the most significant is the Colombian peso. Changes in the exchange rate between the Colombian peso and the U.S. dollar or other currencies in the countries in which we operate may adversely affect our business, results of operations and financial condition. Despite our having a natural hedge from the operating revenues and operating expenses perspective, where the percentage of U.S. dollar-denominated revenue is similar to the percentage of U.S. operating expenses, when our non-U.S. dollar-denominated revenue exceeds our non-U.S. dollar-denominated expenses, the depreciation of non-U.S. dollar currencies against the

U.S. dollar could have an adverse effect on our results of operations because these amounts will convert into fewer U.S. dollars. Moreover, while we price our tickets in U.S. dollars in many markets in which we operate, volatility in local currencies may still impact the purchasing power of our passengers. We operate in numerous countries and face the risk of variation in foreign currency exchange rates against the U.S. dollar or between the currencies of these various countries.

In addition, a significant portion of our expenses and liabilities are denominated in Colombian pesos. At times when the Colombian peso appreciates against the U.S. dollar, the value of these expenses and liabilities will increase in U.S. dollar terms, resulting in an increase in our non-operating expenses.

High inflation rates may adversely affect our business, results of operations and financial condition.

Rates of inflation in the countries in which we operate have historically been high, and we cannot assure you inflation will not remain at high levels. The annual rate of inflation for the last two years, as measured by changes in the Colombian Consumer Price Index, as published by the Central Bank of Colombia, was 9.3% in 2023 and 13.1% in 2022. In 2024, Colombia's inflation showed a favorable downward trend from the 2023 rate. The BanRep responded with gradual rate cuts to support this disinflationary path. By the first quarter of 2024, inflation remained above the 3.0% target but continued to decline, with BanRep projecting alignment with the target by 2025.

Inflationary pressures directly impact on our business by raising our costs of operation. Many of our contracts contain clauses that adjust pricing, either completely or partially, by inflation or by indexes linked to inflation. Some of our labor agreements contain inflation adjustments. In many cases even though the agreements may not contain adjustments historical practices and competitive pressure may require us to increase wages to partially or fully compensate inflation.

Inflationary pressures may adversely affect our ability to access foreign financial markets, leading to adverse effects on our capital expenditure plans. In addition, inflationary pressures may reduce consumers' purchasing power or lead governments to institute certain anti-inflationary policies, such as increased interest rates. Inflationary pressures may adversely affect our business, results of operations and financial condition.

Furthermore, the impact of geopolitical developments such as the Russia-Ukraine conflict, the ongoing conflict between Israel and Hamas and the expansion of the conflict in the Middle East, including in Lebanon and with Iran, and global supply chain disruptions continue to increase uncertainty in the outlook of near-term and long-term economic activity, including whether inflation will continue and how long, and at what rate. Increases in inflation raise our costs for commodities, labor, materials and services and other costs required to grow and operate our business, and failure to secure these on reasonable terms may adversely impact our financial condition. Additionally, increases in inflation, geopolitical developments and global supply chain disruptions, have caused, and may in the future cause, global economic uncertainty and uncertainty about the interest rate environment, which may make it more difficult, costly or dilutive for us to secure additional financing. A failure to adequately respond to these risks could have a material adverse impact on our business, results of operations and financial condition.

Geopolitical events, changes, potential changes or uncertainties in regulatory and economic conditions or laws and policies in the territories and countries where we operate could have a material adverse effect on our business, results of operation and financial condition.

As an international company, geopolitical events could have an impact on our business. Changes, potential changes or uncertainties in regulatory and economic conditions or laws and policies governing foreign trade, manufacturing, and development and investment in the territories and countries where we operate could adversely affect our business, results of operations, and financial condition.

For example, the Russia-Ukraine conflict has significantly amplified existing geopolitical tensions among Russia, Ukraine, Europe, the PRC and the United States and resulted in the imposition of broad financial and economic sanctions against Russia by the United States and its allies, including the U.K., the EU and other countries around the world, which could have a lasting impact on regional and global economies. We cannot predict how the conflict in Ukraine will evolve, but any escalation or expansion into other countries, particularly in Europe, would exacerbate

geopolitical tensions and could lead to political and/or economic response from the United States, the EU and other countries, which may adversely impact economic conditions. While we do not have commercial activities in Russia and do not have revenue in Russia, the Russia-Ukraine conflict and the resulting sanctions could adversely affect financial markets and thus could adversely impact our business, results of operations and financial condition. In addition, the ongoing conflict between Israel and Hamas and the expansion of the conflict in the Middle East, including in Lebanon and with Iran, may have an adverse impact on global economic conditions. Further, any escalation or expansion into European countries where we have significant operations could adversely impact our business, results of operations and financial condition. Additional sanctions or other measures may be imposed by the global community, which could include airlines suspending flights to and from countries including Russia and Israel. Any such measures could result in counteractive measures may be taken by the Russian government, other entities in Russia, Israel or Hamas, or governments or other entities, and any such measures or countermeasures could have an adverse effect on our business, results of operations and financial condition.

In addition, the banking sector has previously experienced increased volatility as a result of several distressed or closed banks and financial institutions. While we have not suffered any material effects as a result of such increased financial market volatility, we do regularly maintain cash balances at third-party financial institutions in excess of government- insured limits, and if financial institutions used by us face insolvency or illiquidity challenges due to events affecting the banking system and/or financial markets, our ability to access existing cash, cash equivalents, and investments may be threatened. The failure of banks or financial institutions and the measures taken by governments, businesses and other organizations in response to such events could adversely impact our business, results of operations and financial condition.

Developments and the perception of risk in other countries, especially emerging market countries, may adversely affect the market price of many Latin American securities.

The market value of securities issued by companies with operations in our Core Markets may be affected to varying degrees by economic, political and market conditions in other countries, including other Latin American and emerging market countries. Although macroeconomic conditions in other Latin American countries and other emerging market countries may differ significantly from macroeconomic conditions in our Core Markets and the other countries in which we operate, investors' reactions to developments in these other countries may have an adverse effect on the market values of our securities. Further, crises in world financial markets, such as in 2008, as well as global economic challenges deriving from the COVID-19 pandemic, could affect investors' views of securities issued by companies that operate in emerging markets. These developments could also make it more difficult for us and our subsidiaries to access the capital markets and finance our operations on acceptable terms, or at all, which could have an adverse effect on our business, results of operations and financial condition.

Natural disasters in the countries in which we operate could disrupt our operations.

We are exposed to natural disasters in each of the countries in which we operate, such as earthquakes, volcanic eruptions, tornadoes, tropical storms, lightning and hurricanes. For example, heavy rains in Colombia sometimes result in severe flooding and mudslides. El Salvador, Ecuador and Peru have experienced significant earthquakes. Moreover, the Central American isthmus, in particular El Salvador, Costa Rica and Guatemala, is home to one of the world's largest concentrations of active volcanoes. Colombia has also experienced significant volcanic activity, affecting important cities covered by our domestic operations. Volcanic ash clouds not only affect airport operations, but also the route conditions of flights operating near the affected zone.

In the event of a natural disaster, there is a risk of damage to our airport hubs and other facilities, which could have a material adverse effect on our operations, particularly if such an occurrence affects computer-based data processing, transmission, storage and retrieval systems or destroys customer or other data. In any such event, our property damage and business interruption insurance might not be sufficient to fully offset our losses, which could adversely affect our business, results of operations and financial condition. In addition, if a significant number of our employees and senior managers were unavailable because of a natural disaster, our ability to conduct our business could be compromised.

Allegations of corruption against the government, politicians and the private sector in the countries where we operate could create economic and political uncertainty and could expose us to additional risk.

Allegations of corruption against the government, politicians, and the private sector in the countries where we operate could create economic and political uncertainty. For example, findings or convictions of illicit conduct committed by such entities, including government personnel, or alleged wrongdoings, could have adverse effects on the political and economic stability of the countries where we operate. These adverse political and economic effects may negatively impact our business, by depressing business volumes.

Risks Related to our Relationship with our Shareholder

Abra has granted a charge over, and an equitable mortgage in respect of, all of IV1L's ordinary shares it owns as collateral to secure its obligations under the Abra Indebtedness (as defined below). As a result, in the event of an event of default of the Abra Indebtedness, the holders of the Abra Indebtedness may enforce their respective security interests and sell, or otherwise dispose of or transfer such charged and/or mortgaged ordinary shares. Any such foreclosure, sale or other disposition or transfer of IV1L's ordinary shares may result in a change of control of the Company and could materially decrease the market price of our New Notes.

Abra is a holding company that currently owns 100% of IV1L's ordinary shares, which in turn currently owns 100% of our ordinary shares. Abra also holds debt securities of Gol, which filed for bankruptcy under Chapter 11 on January 25, 2024 and on November 5, 2024 entered into a Plan Support Agreement with its committee of unsecured creditors and Abra.

As of the date of this Exchange Offer and Consent Solicitation Memorandum, Abra Global Finance ("AGF"), a wholly-owned subsidiary of Abra, has outstanding (i) $510 million in aggregate principal amount of senior secured notes due 2029, which mature on October 22, 2029, (ii) $740 million in aggregate principal amount in senior secured term loans, which mature on October 22, 2029 and (iii) approximately $587 million in aggregate principal amount of senior secured exchangeable notes due 2028, which mature on March 2, 2028 (collectively, the "Abra Indebtedness"). Interest on the Abra Indebtedness is payable in kind at the option of AGF and as a result will increase the aggregate principal amount outstanding over time. AGF's obligations under the Abra Indebtedness are secured by a charge over and an equitable mortgage in respect of all of IV1L's ordinary shares owned by Abra. If AGF is unable to raise the funds to pay the amounts due on the Abra Indebtedness at maturity or an earlier date if subject to acceleration in connection with an event of default, the holders of the Abra Indebtedness may have the right to enforce their respective security interests and sell, or otherwise transfer, IV1L's charged and/or mortgaged ordinary shares, which would result in a change of control of the Company and could materially decrease the market price of our New Notes.

Abra controls us and its interests may conflict with or differ from our interests or interests of holders of the New Notes.

Abra is a holding company that currently owns 100% of IV1L's ordinary shares, which in turn currently owns 100% of our ordinary shares. Abra will be able to control the election and removal of our directors, and thereby determine, among other things, our corporate and management policies, potential mergers, acquisitions or asset sales transactions and amendment of our articles of association, in all cases subject to our governance policies, for so long as Abra retains significant ownership of us. So long as Abra continues to own a significant amount of our voting power, even if such amount is less than 50%, Abra will continue to be able to strongly influence or effectively control our decisions. The interests of Abra and its affiliates may not coincide with our interests or interests of holders of the New Notes. For example, the concentration of ownership held by Abra could delay, defer or prevent a change of control of our company or impede a merger, takeover or other business combination which may otherwise be favorable for us. If we encounter financial difficulties or are unable to pay our debts as they mature, the interests of Abra and certain of their affiliates as equity holders might conflict with your interests as a holder of the New Notes.

Additionally, in the ordinary course of its business activities, Abra, its affiliates and other companies in which Abra has investments, including Gol, may engage in activities where their interests conflict with our interests or those of holders of the New Notes. Except as may be limited by applicable law, none of Abra, its affiliates or other companies in which Abra has investments, including Gol, will have any duty to refrain from competing directly with us or engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in

which we operate. Abra, its affiliates or other companies in which Abra has investments, including Gol, also may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. In addition, Abra, its affiliates or other companies in which Abra has investments, including Gol, may have an interest in us pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you.

Risks Related to Taxation

Any additional taxes resulting from changes to tax laws, treaties or regulations or the interpretation thereof in Colombia, the United Kingdom or other countries where we operate could adversely affect our business, results of operations and financial condition.

Uncertainty relating to applicable tax legislation poses a constant risk to us. In the course of our business, there will be many transactions and calculations where the ultimate tax determination is uncertain and, as we gather more information and perform more analysis, our calculations may differ from previous estimates and may materially affect our consolidated financial statements. Furthermore, changes in legislation, treaties, regulation and jurisprudence can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting eligible expenses and deductions, and eliminating incentives and non-taxed income.

In this regard, the United Kingdom, Colombia and numerous other countries are currently engaged in establishing fundamental changes to tax laws affecting the taxation of multinational corporations, including pursuant to the Base Erosion and Profit Shifting ("BEPS"), initiative of the Organization for Economic Co-operation and Development ("OECD"). Any such developments could materially affect our tax burden and/or have a negative impact on our ability to compete in the global marketplace.

Furthermore, and with respect to Colombia's tax regime in particular, Colombia currently has a nominal corporate income tax rate of 35%. We cannot assure you that Colombian tax laws will not change, and any change could result in the imposition of significant additional taxes. For instance, in 2022 the government enacted a tax reform which entered into force in 2023 and entailed the following changes that impacted the Avianca Group: (i) VAT on tickets increased from 5% to 19%; (ii) minimum 15% effective tax rate; (iii) nominal corporate income tax rate increased from 30% to 35%; (iv) reduction of 50% in the carbon tax exemption; and (v) capital gains tax increased from 10% to 15%. In spite of this reform, the Colombian government has a significant fiscal deficit that may result in future tax increases. Additional tax regulations could be implemented that could require us to make additional tax payments. On December 11, 2024, the Colombian Congress voted down the tax reform proposed by the government seeking to reduce the tax burden on companies, while increasing the tax burden on individuals. We are unable to predict the final outcome of any potential tax reform. Moreover, national or local tax authorities may not interpret tax regulations in the same way that we do. Differing interpretations in existing tax regulations or implementation of new tax regulations could result in future tax litigation and associated costs and further have an adverse effect on our business, results of operations and financial condition.

We are subject to formal and substantial transfer pricing rules in multiple jurisdictions.

In particular, most of the jurisdictions in which we conduct business have detailed transfer pricing rules, which require that all transactions with non-resident related parties be priced using arm's length pricing principles within the meaning of such rules. We are subject to ongoing tax audits in several jurisdictions, and most of such audits involve transfer pricing issues. See "Business—Legal and Administrative Proceedings and Investigations" for more detail.

We are subject to periodic audits and examinations by tax authorities, the results of which may materially impact our business, financial condition and results of operations.

We are subject to periodic review and audit by tax authorities. Although we believe that our tax provisions, positions and estimates are reasonable and appropriate, tax authorities may disagree with certain positions that we have taken, or that we will take, and any adverse outcome of such a review or audit could have a negative effect on

us, our financial condition and the results of our operations. In addition, economic and political pressures to increase tax revenue in various jurisdictions may make any favorable resolution of tax disputes more difficult.

In particular, tax authorities in certain jurisdictions may disagree with the propriety of our related party arm's length transfer pricing policies and the tax treatment of corresponding expenses and income.

If any tax authorities were successful in challenging our positions, we may be liable for additional income tax and penalties and interest related thereto in excess of any reserves established therefor, which may have a significant impact on our results and operations and future cash flow.

We may be subject to global rules imposing minimum levels of tax in the jurisdictions in which we operate, which could adversely affect our rates of return.

As part of the BEPS initiative, and following an agreement signed by more than 135 jurisdictions in October 2021, the OECD published, in December 2021, final model rules for a global minimum tax (the "GloBE rules"). The GloBE rules aim to ensure that large multinational enterprise ("MNE") groups pay a minimum level of tax on the income arising in each of the jurisdictions in which they operate, by imposing a top-up tax whenever the effective tax rate, determined on a jurisdictional basis, is below the minimum rate of 15%.

In the United Kingdom, Finance (No. 2) Act of 2023 officially implemented a significant portion of the GloBE rules from accounting periods commencing on or after December 31, 2023. The U.K. rules introduce the concept of a top-up tax by way of an Income Inclusion Rule ("IIR"), and a domestic top-up tax rule. The U.K. rules will apply to any MNE group which has an annual revenue exceeding €750,000,000 (including the revenue of excluded entities) in its ultimate parent entity's consolidated financial statements in at least two of the four fiscal years immediately preceding the tested fiscal year and with either a parent entity or a subsidiary located in the United Kingdom. Certain entities are excluded from the scope of the U.K. rules, including (among others) government entities and pension funds. In September 2023, His Majesty's Revenue & Customs ("HMRC") published additional draft legislation that provides for an undertaxed profits rule ("UTPR"), which was to be implemented no earlier than December 31, 2024. The UTPR is a protective measure that requires subsidiaries to collect top-up taxes in cases where a parent jurisdiction has not implemented the IIR. Other countries, such as a number of those within the EU, have also implemented versions of the GloBE rules into their respective domestic laws.

Effective tax rates could increase within our structure (if it falls within the scope of the GloBE rules), due to higher amounts of tax being due, and the costs of tax compliance may also increase. This could adversely affect our business, financial condition and results of operations.

The New Notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes.

As described under "Taxation—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Ownership and Disposition of the New Notes—Stated Interest and OID," for U.S. federal income tax purposes the "issue price" of the New Notes issued pursuant to this Exchange Offer in exchange for Existing Notes tendered after the Early Participation Date is expected to be determined based on their fair market value on the Settlement Date. If the stated principal amount of such New Notes exceeds their "issue price" (which based on the current price of the Existing Notes is expected, but will not be known prior to the Settlement Date) by an amount that is equal to or greater than the statutory de minimis amount, such New Notes will be treated as issued with OID for U.S. federal income tax purposes in an amount equal to such difference. If such New Notes are treated as issued with OID for U.S. federal income tax purposes, a U.S. investor in such New Notes will generally be required to include OID in their gross income (as ordinary income), on a constant yield basis, as it accrues in advance of the receipt of cash payments attributable to such income and regardless of such investor's regular method of accounting for U.S. federal income tax purposes. See "Taxation—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Ownership and Disposition of the New Notes—Stated Interest and OID."

The New Notes received for Early Exchange Consideration may not be fungible with the New Notes received for Late Exchange Consideration for U.S. federal income tax purposes.

The U.S. federal income tax treatment of the New Notes will depend on whether the Existing Notes with respect to which the New Notes were issued pursuant to the Exchange Offer were tendered on or prior to the Early Participation Date, or after that date. As discussed below under "Taxation—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Exchange of Existing Notes for New Notes," we are taking the position that (i) the tender of Existing Notes for New Notes on or prior to the Early Participation Date is not expected to be treated as a significant modification of such Existing Notes for U.S. federal income tax purposes, and (ii) the tender of Existing Notes for New Notes after the Early Participation Date is expected to be treated as a significant modification of such Existing Notes for U.S. federal income tax purposes. Therefore, the New Notes described in (i) immediately above (the "Early Tender New Notes") and the New Notes described in (ii) immediately above (the "Late Tender New Notes") are expected to be treated as two separate series for U.S. federal income tax purposes. The issue price of such Late Tender New Notes should equal the fair market value of such New Notes on the Settlement Date, if such New Notes are "publicly traded" (which will depend, in part, on the aggregate principal amount of the Late Tender New Notes tranche. In that case, the Late Tender New Notes may not be fungible with, and may have a different CUSIP than, the Early Tender New Notes. As a result, the market price of the entire series of the New Notes may be adversely affected, and Late Tender New Notes issued with a separate CUSIP may have less liquidity, a lower market price, and more price volatility than the Early Tender New Notes.

See "Taxation—Certain U.S. Federal Income Tax Considerations—Tax Consequences of the Exchange of Existing Notes for New Notes" for more detail on the foregoing points.

Risks Related to the New Notes Collateral

Certain of the Issuer's and New Notes Guarantors' assets are excluded from the collateral pledged to secure the New Notes due to restrictions and prohibitions under applicable law and limitations in contracts permitted under the Indenture.

The New Notes and New Notes Guarantees will not be secured by certain assets that are excluded from the New Notes Collateral, including assets that are prohibited by applicable law from securing the New Notes and New Notes Guarantees or assets that are pledged to secure other indebtedness and the terms of such other indebtedness prohibit such assets from securing the New Notes and New Notes Guarantees without lender consent (which will not be obtained). The value of these assets is, in some cases, significant. While we expect to pledge, subject to certain exceptions, the equity interests of subsidiaries that operate our route network franchise, we do not expect to grant a security interest over our slots, gates and routes (the "Route Network Assets") if that grant would be prohibited by or violate any requirement of law or contractual restriction binding on us with respect to such assets.

For example, applicable law or contractual limitations in the Latin American jurisdictions in which we operate generally do not permit us to pledge and/or assign our Route Network Assets in those jurisdictions. Moreover, all of our slots at JFK and LHR will or would be pledged to secure the Revolving Credit Facility and, pursuant to the terms of the Revolving Credit Facility, may not be pledged to secure the New Notes and New Notes Guarantees. Subject to the limitations under applicable law, we may be required under the Revolving Credit Facility to pledge any slots that we now or hereafter own at airports that are designated as Level 3 airports by IATA, which would cause them to become Excluded Assets and any liens on such assets securing the New Notes and the New Notes Guarantees relating thereto to be released. Further, the Route Network Assets that we will pledge, either now or in the future, to secure the New Notes and the New Note Guarantees will or would be pledged under a U.S. pledge and security agreement, perfection of those security interests, which will or would occur only through the filing of UCC filings in the United States. Holders of the New Notes should not expect that those security interests will be enforceable outside the United States and may be limited in the United States by significant restrictions on transfer. Consequently, the New Notes Collateral Trustee's ability to realize upon routes, slots and gates, to the extent included in the New Notes Collateral, in the event of a foreclosure, or to exercise other remedies, may be negatively affected by the actions or inactions of the United States, foreign governments or airport authorities. For instance, any transfer of our route authorities could be subject to the approval of the DOT and to veto by the U.S. President or foreign governmental authorities, which could prevent, delay or impair the disposition or other exercise of remedies with respect to these route authorities. Accordingly, any such transfer may take significant amounts of time and may not be successful.

We cannot provide any assurances as to whether the DOT or foreign governmental authorities would consent to a transfer of a Route Network Asset or would impose any conditions or restrictions on a transfer. It is also unclear how governmental authorities would view a pledge of, or request to transfer, an open skies route or portion thereof. The transfer of any non-U.S. airport slots may similarly require the consent of the applicable foreign aviation authority, as well as any applicable slot coordinator, which could prevent, delay or impair the disposition of or other transfer of those slots. In addition, the transfer or assignment of slots at certain U.S. airports in the event of a foreclosure or other exercise of remedies will require the consent of the applicable United States aviation authority, which may prevent, delay or impair the disposition or transfer of those slots. Most airports also restrict the transfer of gates without the prior consent of the airport, which limits the ability to transfer gates.

Because of these limitations, we expect that most, or possibly all of the slots, gates and routes that we use to provide our scheduled services will not be pledged as New Notes Collateral and so will be unavailable to satisfy obligations under the New Notes in the event of foreclosure on the New Notes Collateral or other exercise of remedies, and there can be no assurances about the particular value of slots, gates and routes.

There are additional circumstances other than repayment or discharge of the Existing Notes or repayment or discharge of the New Notes under which the New Notes Collateral securing the New Notes will be released automatically, without your consent or the consent of the applicable Collateral Trustee.

Under various circumstances, New Notes Collateral securing the New Notes may be released automatically, including, without limitation, a sale, transfer or other disposition of such New Notes Collateral in a transaction not prohibited under the New Notes Indenture. These circumstances include, but are not limited to, the following:

- the sale, transfer or other disposition of any New Notes Collateral, including equity in a New Notes Guarantor, in a transaction permitted by the New Notes Indenture and the security documents or pursuant to the New Notes Collateral Trust Agreements);
- with respect to the New Notes, the release of all or substantially all of the New Notes Collateral with the consent of holders of at least 90% of the aggregate principal amount of New Notes then outstanding;
- with respect to the New Notes Collateral held by a Guarantor that is released from its guarantee; and
- if any part of the New Notes Collateral is or becomes Excluded Assets.

See "Description of the New Notes—Security for the New Notes—Release of Liens on Collateral."

The New Notes Indenture will also permit the Issuer to designate one or more of our Restricted Subsidiaries that is a New Notes Guarantor of the New Notes as an Unrestricted Subsidiary (as defined herein). If the Issuer designates a New Notes Guarantor as an Unrestricted Subsidiary for purposes of the New Notes Indenture that will govern the New Notes, all of the liens on any Collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the New Notes by such subsidiary or any of its subsidiaries will be released under the New Notes Indenture, but not necessarily under the Refinancing Notes or the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received). Designation of an Unrestricted Subsidiary will reduce the aggregate value of the New Notes Collateral securing the New Notes to the extent that liens on the assets of such Unrestricted Subsidiary and its subsidiaries are released. In addition, the creditors of the Unrestricted Subsidiary and its subsidiaries will have a senior claim on the assets of such Unrestricted Subsidiary and its subsidiaries. As of the issue date of the New Notes, WAV Air Holdings S.L., Wamos Air, S.A. and their respective subsidiaries will be designated as Unrestricted Subsidiaries and Avianca Enterprises LLC will continue to be designated as an Unrestricted Subsidiary.

Security interests in certain New Notes Collateral will not be perfected, and the Collateral Trustees' ability to foreclose on the New Notes Collateral or exercise other remedies may be limited.

Even where a security interest has been granted in the New Notes Collateral, there are important limitations on the steps that will be taken to perfect a security interest in that New Notes Collateral, whether for reasons of cost

or practicality, limitations under the law of the jurisdictions where those assets may be located or other reasons. For example, the perfection of the following types of assets may be subject to limitations as described below:

- Third-party receivables and intercompany receivables related to our LifeMiles Program and our cargo and other businesses may not be perfected in certain jurisdictions as such jurisdictions generally require specific contracts or receivables to be documented with payment and other terms specified and do not allow a floating lien on receivables to be incurred in the future;

- Security interests in slots, gates and routes generally cannot be pledged and perfected in most jurisdictions in which we operate or are subject to existing contractual restrictions which would not permit liens on pledged slots, gates and routes in the Latin American and other jurisdictions in which we operate;

- Perfection in after-acquired intellectual property will be subject to a materiality standard; and certain guaranty and security principles have been agreed delineate and circumscribe the security interest creation and perfection steps that will be taken with respect to the New Notes Collateral, and these guaranty and security principles may significantly limit the perfected security interests from which the holders of the New Notes will benefit. See "Description of the New Notes—Security for the New Notes—Certain Limitations on the Collateral—Guaranty and Security Principles."

To the extent a security interest in some of the New Notes Collateral can legally be perfected, applicable law generally requires that such security interest can be properly perfected only by, and its priority retained through, certain actions. The security interest in the New Notes Collateral securing the New Notes has not been and will not be perfected if such applicable actions are not taken, and such action has not been and will not be taken with respect to certain of the New Notes Collateral. Such failure may result in the loss of the practical benefits of the security interest thereon or of the priority of the security interest thereon. Further, the applicable Collateral Trustee's ability to foreclose on the New Notes Collateral or exercise other remedies may be subject to the consent of third parties (including governmental authorities), prior liens and practical problems associated with the realization of the applicable Collateral Trustee's security interest on the New Notes Collateral.

We will in most cases have control over the New Notes Collateral, and the sale of particular assets by us could reduce the pool of assets securing the New Notes.

Absent the occurrence and continuance of an event of default under the New Notes Indenture that will govern the New Notes and the exercise of remedies, the security documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the New Notes Collateral securing the New Notes. In addition, we will not be required to comply with any portion of the Trust Indenture Act of 1939, as amended, including among other things, the requirement that they obtain certain appraisal and valuation reports and take certain actions in connection with releases of New Notes Collateral. So long as no default or event of default under the New Notes Indenture would result therefrom, we may, among other things, without any release or consent by the New Notes Trustee or the applicable Collateral Trustee, conduct ordinary course activities with respect to New Notes Collateral, such as, but not limited to, selling, abandoning or otherwise disposing of New Notes Collateral and making ordinary course cash payments (including repayments of other indebtedness).

After-acquired property may not be subject to the security interest securing the New Notes, and any future pledge of Collateral might be voidable by a trustee in bankruptcy.

Applicable law requires that a security interest in assets can only be properly perfected by, and its priority retained through, certain actions. The liens on the New Notes Collateral securing the New Notes may not be perfected if the actions necessary to perfect the liens are not taken. Applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at the time such property and rights are acquired and identified. The New Notes Trustee and Collateral Trustees may not monitor, or we may not inform the New Notes Trustee and Collateral Trustees of, the future acquisition of property and rights that constitute New Notes Collateral, and necessary action may not be taken to properly perfect the security interest in such after acquired New Notes Collateral. None of the New Notes Trustee nor the Collateral Trustees have any obligation to monitor the acquisition of additional property or rights that constitute New Notes Collateral or monitor the perfection of, or take

any actions to perfect, or maintain the perfection of, any security interest in favor of the New Notes against third parties. Such failure may result in the loss of the security interest therein or the priority of the security interest in favor of the New Notes against third parties. In addition, certain agreements to which we are party may impose limitations on our ability to grant a security interest to the Collateral Trustees for the benefit of the noteholders in certain such after-acquired property.

The New Notes Indenture that will govern the New Notes will provide that we will grant liens on certain property that is acquired after the New Notes are issued. Any future pledge of New Notes Collateral in favor of the Collateral Trustees, including pursuant to security documents delivered after the date of the New Notes Indenture that will govern the New Notes, might be voidable by the pledgor (as debtor-in-possession) or by its trustee in bankruptcy or by other third parties if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, or if the pledge permits the holders of the New Notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge (or within one year following the pledge if the creditor that benefited from the pledge is an "insider" under bankruptcy law).

Impediments exist to any foreclosure on the New Notes Collateral, which may adversely affect the proceeds of any foreclosure.

The security documents that create liens on the New Notes Collateral located outside of the United States for the benefit of the New Notes are or will be governed by the laws of Bahamas, Bermuda, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Panama and the United Kingdom. Such laws require that certain legal and procedural requirements be met in connection with creation, perfection or foreclosure of collateral, which may be different from those that would apply under the laws of the United States.

For instance, with respect to the Colombian security documents, Law 1676 of 2013 of Colombia ("Law 1676") establishes the rules applicable to the creation and enforcement of security interests over movable assets (*garantías mobiliarias*) that may be used as security for credit transactions. Pursuant to Law 1676, a security interest over a movable asset is perfected by means of a written agreement entered between the guarantor and the secured party. Registration of a security interest agreement before the National Registry of Moveable Assets (*Registro Nacional de Garantías Mobiliarias*) provides to the secured party (i) the right to enforce the security against third parties (*oponibilidad*); and (ii) priority with respect to other creditors in the event of a foreclosure or bankruptcy proceeding involving the respective secured party. Under Law 1676, a single guarantor may create more than one security interest over the same moveable asset, in which case the priority of payment among the respective secured parties will be determined by the chronological order of filing of each security interest before the National Registry of Moveable Assets (*Registro Nacional de Garantías Mobiliarias*). In the event of breach of the secured obligations, Law 1676 regulates three foreclosure procedures for security interests: direct payment, judicial foreclosure proceeding and special foreclosure proceeding. Different rules apply to these foreclosure proceedings, and parties to a security interest agreement may agree to a special foreclosure proceeding by specifying certain rules in the agreement. Generally, however, under all applicable foreclosure proceedings, once a foreclosure petition has been filed, the secured party may request a court to order the seizure of the collateral or take possession of them. Moreover, under the direct payment foreclosure procedure, secured parties may satisfy their claims directly with the goods pledged as collateral, based on the value determined by an appraisal conducted in accordance with Law 1676. The duration of foreclosure process for the Colombian collateral depends on the type of proceeding for enforcement. Holders of the New Notes may be subject to different rules depending on the enforcement proceeding selected. Furthermore, the timeline to obtain the foreclosure of the New Notes Collateral remains uncertain, and it is unclear how long it may take before the New Notes are repaid through the foreclosure of the New Notes Collateral. These varying rules and procedures may extend the foreclosure process, ultimately delaying the enforcement of the New Notes Collateral and the repayment of the New Notes.

While in Colombia self-executing mechanisms are allowed, in certain other jurisdictions such as El Salvador, Ecuador, Guatemala, Costa Rica and Chile, as a general rule, foreclosure is only permitted upon receipt of a judicial order, and such laws generally do not allow for self-executing mechanisms or expedited foreclosure proceedings with respect to almost all types of liens.

Enforcement proceedings before the courts of certain jurisdictions are time consuming and may be subject to significant delays that may affect not only the value of the New Notes Collateral, but also the ability of the holders of the New Notes to enforce their rights on the New Notes Collateral and be repaid. In addition, the sale of shares may be subject to additional approvals in certain jurisdictions, such as approvals from the competition authorities that may further impact the timing of foreclosure and the value of the New Notes Collateral.

Enforcement of security interests created under the laws of such jurisdictions may need to be conducted in courts of such jurisdictions based on the procedures and subject to the rules set forth by the parties in the relevant Security Documents and the selected enforcement proceeding. Insolvency statutes in certain of such jurisdictions may stay any foreclosure procedures for the length or a portion of the duration of such proceedings. It is also possible that any such courts will require a judgment regarding the existence of an event of default under the New Notes Indenture from a United States court prior to any foreclosure. We may also have defenses available to us under Colombian law and other laws in such jurisdictions to foreclosure proceedings that are not available under United States law. Procedural delays could result in a decrease in the value of the New Notes Collateral that would otherwise be realizable upon foreclosure or an inability to enforce the New Notes Collateral. In addition to legal and procedural concerns, the Collateral Trustees may encounter practical considerations that could delay the foreclosure on assets that are part of the New Notes Collateral.

Failure to comply with any legal or procedural requirements or any delay in the foreclosure of the New Notes Collateral could affect the value of the New Notes Collateral or the possibility of the holders of the New Notes to receive proceeds from the sale of such New Notes Collateral.

The security interests in the New Notes Collateral are granted to the Collateral Trustee for the New Notes, rather than directly to the holders of the New Notes.

The security interests in the New Notes Collateral that will secure our obligations under the New Notes will not be granted directly to the holders of the New Notes but are granted only in favor of the applicable Collateral Trustee for the benefit of the holders of the New Notes and the holders of the Refinancing Notes and, with respect to the Existing Collateral, to the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received). As a consequence, holders of the New Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the New Notes Collateral securing the New Notes, except through the applicable Collateral Trustee, which will (subject to the provisions of the New Notes Indenture that will govern the New Notes, the security documents and the New Notes Collateral Trust Agreements) be required to follow instructions to the applicable Collateral Trustee given by the requisite debt holders.

In addition, the ability of the Collateral Trustees to enforce the security interests in the New Notes Collateral is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the New Notes Collateral are taken.

The value of the New Notes Collateral securing the New Notes may not be sufficient to satisfy in full our obligations under the New Notes and other obligations secured equally and ratably with the New Notes.

In the event of foreclosure or other exercise of remedies on the New Notes Collateral, the proceeds from the disposition of the New Notes Collateral securing the New Notes may not be sufficient to satisfy the New Notes , the Refinancing Notes and the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received) and any additional future secured obligations secured equally and ratably on a *pari passu* basis with the New Notes. The New Notes Collateral securing the New Notes may be insufficient to satisfy the obligations under the New Notes and other *pari passu* secured obligations for a number of reasons, including regulatory impediments to foreclosure or practical impediments to foreclosure, including a lack of potential buyers, insufficient or no realizable value of all or portions of the New Notes Collateral, lack of identification of particular assets and certain other factors. To the extent that the New Notes Collateral securing the New Notes is insufficient to satisfy the obligations under the New Notes and other *pari passu* secured obligations, then holders of the New Notes would have only a general unsecured claim against the remaining unencumbered assets of the Issuer and the New Notes Guarantors for any shortfall.

Your rights to the New Notes Collateral may be further diluted by any additional future secured obligations permitted to be incurred that under applicable law or by contract rank prior to or *pari passu* with the lien on such New Notes Collateral in favor of the Collateral Trustees for the benefit of the noteholders. See "—Any security for the New Notes and other remedies may be shared with other debtholders." In addition, certain permitted liens on the New Notes Collateral securing the New Notes may allow the holders of such liens to exercise rights and remedies with respect to the New Notes Collateral subject to such liens that could adversely affect the value of such New Notes Collateral and the ability of the Collateral Trustees to foreclose upon or exercise remedies with respect to, or realize value from, such New Notes Collateral.

The portion of the New Notes Collateral that will consist of our brands, slots, gates and routes used to operate our scheduled services is illiquid and has no readily ascertainable market value or realizable value apart from use in the airline business.

The pool of potential purchasers for any New Notes Collateral securing the New Notes may be small or nonexistent, and the pool of potential transferees may be limited to qualified air carriers. The financial resources of any such potential purchasers or transferees also may be limited, which would result in low realization in connection with any attempted foreclosure sale of such New Notes Collateral or sale on credit with attendant collection risk. A disposition of New Notes Collateral through a lease or license of Collateral presents risks related to an insolvency of the Issuer and New Notes Guarantors and therefore may not be a practical means of disposing of the New Notes Collateral for the New Notes. Accordingly, a foreclosure sale or other disposition of the New Notes Collateral may not be feasible or of any value, notwithstanding any appraisal obtained with respect to the New Notes Collateral.

For the foregoing reasons, among others, we cannot assure you that the proceeds realized on any exercise of remedies with respect to the New Notes Collateral securing the New Notes (after payment of expenses and repayment of obligations secured by other liens on such New Notes Collateral that might, under applicable law or by contract, rank prior to or *pari passu* with the lien on such New Notes Collateral in favor of the Collateral Trustees for the benefit of the noteholders) would be sufficient to satisfy in full all payments due on the New Notes.

The appraisals included in this Exchange Offer and Consent Solicitation Memorandum are not, and should not be relied upon as, a measure of the value of the New Notes Collateral securing the New Notes, and the appraisals are highly dependent on the assumptions used in preparing them.

The appraisals included in this Exchange Offer and Consent Solicitation Memorandum are not intended to measure the value of the New Notes Collateral securing the New Notes. Instead, the appraisals are past valuations of the New Notes Collateral used to provide investors with an independent valuation of these assets and an informal sense of the loan-to-value ratio of the pledged assets.

mba Aviation prepared appraisals of our cargo freighter business, LifeMiles Program, brand intellectual property and route franchise network, each as of January 2, 2025. These appraisals are subject to a number of significant assumptions, limitations and risks, and were prepared based on certain specified methodologies described therein. These assumptions included factors such as macroeconomic conditions and conditions in the airline industry and in Latin America at the time of the appraisals and operational and financial data of the Avianca Group for periods prior to the preparation of the appraisals. You should carefully consider the assumptions reflected in each of the appraisals attached as exhibits to this Exchange Offer and Consent Solicitation Memorandum. Accordingly, the appraisals, and any future appraisals, may not accurately reflect the market value of the appraised assets. An appraisal that is subject to other assumptions, limitations and risks, or is based on other methodologies, may result in valuations that are materially different from those contained in the appraisals.

In addition, the appraisal of the Route Franchise Network included in this Exchange Offer and Consent Solicitation Memorandum includes the Level 3 Slots, which have been pledged to secure our Revolving Credit Facility and will not be pledged to secure the New Notes or the New Notes Guarantees. Although the equity interests of the applicable restricted subsidiary holding the Level 3 Slots will be pledged to secure the New Notes and New Notes Guarantees, there can be no assurance that in the event of any insolvency, bankruptcy or similar proceeding there would be any residual value available to repay the New Notes after we satisfy our obligations under the Revolving Credit Facility. The Level 3 Slots may constitute a significant portion of the appraised value of our Route Franchise Network. Additionally, subject to the limitations under applicable law, any slots that we now or hereafter own at

airports that are designated as Level 3 airports by IATA may also be required to be pledged directly to secure the Revolving Credit Facility, which would cause them to become Excluded Assets and any liens on such assets securing the New Notes to be released. See "Risk Factors—Risks Related to the New Notes Collateral—Certain of the Issuer's and New Notes Guarantors' assets are excluded from the collateral pledged to secure the New Notes due to restrictions and prohibitions under applicable law and limitations in contracts permitted under the Indenture." In preparing the appraisals of our cargo business, LifeMiles Program and route franchise network, mba Aviation applied a discounted cash flow methodology to projected annual cash flows of our cargo business, LifeMiles Program and route franchise network and projected a financial performance based on our historical operating and financial performance. Such appraisals are therefore based upon a valuation of our cargo business and LifeMiles Program in the context of our operation on a going concern basis, using projected operating results, and not on the basis of realization from the sale of any particular appraised New Notes Collateral or any discrete business represented by such New Notes Collateral. Because the discounted cash flow method assumes that we are a going concern, appraised values determined using such method will not be applicable in case of attempts to dispose of the New Notes Collateral appraised by mba Aviation in connection with the exercise of remedies by noteholders, and such value likely will be substantially less since such assets are, by their nature, illiquid and may be of limited utility to a third party. Appraisals that are based on different assumptions and methodologies than used by mba Aviation may result in valuations that are materially different than those contained in its appraisal. Moreover, there can be no assurance that the forecast of expected future financial performance used by mba Aviation in preparing its appraisals will accurately reflect actual future financial performance.

In preparing the appraisals of our brand intellectual property, mba Aviation applied the Relief from Royalty method, which determines value by reference to the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the asset from a third party. Such appraisals are therefore based upon a forecast of our expected future financial performance in the context of our operation on a going concern basis, using projected operating results, and not on the basis of realization from the sale of any particular appraised New Notes Collateral or any discrete business represented by such New Notes Collateral. Because the Relief from Royalty method assumes that we are a going concern, appraised values determined using such method will not be applicable in case of attempts to dispose of the New Notes Collateral appraised by mba Aviation in connection with the exercise of remedies by noteholders, and such value likely will be substantially less since such assets are, by their nature, illiquid and may be of limited utility to a third party. Appraisals that are based on different assumptions and methodologies than used mba Aviation may result in valuations that are materially different than those contained in its appraisal. Moreover, there can be no assurance that the forecast of expected future financial performance used by mba Aviation in preparing its appraisals will accurately reflect actual future financial performance.

An appraisal is only an estimate of value. It does not necessarily indicate the price at which any or all of the appraised New Notes Collateral may be purchased or sold in the market. In general, an appraisal represents the analysis and opinion of qualified appraisers, and one appraiser may reach a different conclusion than that of a different appraiser with respect to the same property. Appraisals are not guarantees of present or future value and should not be relied on as a measure of realizable value of any New Notes Collateral. The proceeds realized on a disposition of any or all of the New Notes Collateral may be significantly less than the appraised value of the related New Notes Collateral. The value of the New Notes Collateral at any given time will depend on various factors, including:

- market, economic and airline industry conditions, including demand and capacity for international air travel, the impact of open skies agreements and similar bilateral agreements, airport and terminal expansions and other governmental actions;
- market and economic conditions that may be unique to local and regional markets served by our scheduled services that are associated with the New Notes Collateral;
- the availability of eligible buyers;
- the time period in which the New Notes Collateral is sought to be sold;
- regulatory matters, political risks and consent rights over the New Notes Collateral, including obtaining any necessary consents to transfer; and

- the other risks identified in the appraisals and those described herein.

In addition, we anticipate that the appraised value of the New Notes Collateral will change over time. The appraisals and subsequent appraisal reports will provide the value of the New Notes Collateral as of a specific date, and the value of the New Notes Collateral as of any other date may differ greatly from the value specified in the appraisals or subsequent appraisal reports. Additionally, the appraisals do not include the assets that we may pledge as Additional Collateral. For more information, see the full text of the appraisals attached to this Exchange Offer and Consent Solicitation Memorandum as Annexes A through D.

See "Description of the New Notes—Security for the New Notes" for more information regarding the New Notes Collateral.

For the foregoing reasons, among others, the proceeds, if any, realized on a foreclosure or other exercise of remedies with respect to the New Notes Collateral may not be equal to the value assigned in the appraisals or any subsequent appraisal report.

The New Notes Collateral is subject to casualty risks and potential environmental liabilities.

We intend to maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any of the pledged New Notes Collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the New Notes and the New Notes Guarantees.

Moreover, the applicable Collateral Trustee may need to evaluate the impact of potential liabilities before determining to foreclose on New Notes Collateral consisting of real property because secured creditors that take ownership or operational control of real property may become liable under certain circumstances for the costs of remediating or preventing the release or threatened release of hazardous substances at that real property, for the costs of environmental compliance obligations associated with that real property, and/or for common law liabilities (e.g., claims for toxic torts, nuisance, or damages to nearby properties) relating to that real property. Consequently, the applicable Collateral Trustee may decline to foreclose on that New Notes Collateral or exercise remedies available in respect thereof if it does not receive indemnification to its satisfaction from the holders of the New Notes or for other reasons.

Rights of holders of the New Notes in the New Notes Collateral may be adversely affected by the failure to create or perfect security interests in certain New Notes Collateral on a timely basis.

We have agreed to secure the New Notes and the New Notes Guarantees by granting liens, subject to permitted liens, on certain of our assets, other than certain excluded assets, and to take other steps to assist in perfecting the security interests granted in the New Notes Collateral.

The security interests of the New Notes Collateral Trustees are subject to issues generally associated with the realization of security interests in the New Notes Collateral securing the New Notes. For example, the applicable Collateral Trustee may need to obtain the consent of a third party to enforce a security interest. However, the applicable Collateral Trustee may be unable to obtain any such consents and the consents of any third parties may not be given when required to facilitate a foreclosure on such assets. Accordingly, the Collateral Trustees may not have the ability to foreclose upon those assets and the value of the New Notes Collateral securing the New Notes may significantly decrease.

In addition, if we were to become subject to a bankruptcy proceeding in the United States, any liens recorded or perfected after the issue date would face a greater risk of being invalidated than if they had been recorded or perfected on the issue date. Liens recorded or perfected after the issue date may be treated under U.S. bankruptcy law as if they were delivered to secure previously existing indebtedness. In any such bankruptcy proceedings commenced within 90 days of lien perfection, a lien given to secure previously existing debt is materially more likely to be avoided as a preference by the bankruptcy court than if delivered and promptly recorded on the issue date.

A failure, for any reason that is not permitted or contemplated under the security agreements and related documents, to perfect the security interest in the properties included in the New Notes Collateral package may result in a default under the New Notes Indenture and other agreements that will govern the New Notes.

Enforcing your rights as a holder of the New Notes, under the New Notes Guarantees or in the New Notes Collateral across multiple jurisdictions may be difficult.

Security interests to secure the New Notes will be granted in New Notes Collateral located in Bahamas, Bermuda, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Panama, Puerto Rico, the United States, and the United Kingdom and, in the case of pledges of Additional Collateral, possibly other jurisdictions as well. In the event of bankruptcy, insolvency, judicial reorganization, extrajudicial reorganization or a similar event or procedure, proceedings could be initiated in any of these jurisdictions or in other jurisdictions. Your rights under the New Notes, the New Notes Guarantees and the security granted in respect of the New Notes will therefore be subject to the laws of multiple jurisdictions, and you may not be able to effectively enforce your rights in bankruptcy, insolvency and other similar proceedings in multiple jurisdictions. Moreover, multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. Treaties may not exist in all cases for the recognition of the enforcement of a judgment or order of a foreign court and such treaties do not exist between the United States and certain jurisdictions in which the New Notes Collateral will be located (including the United Kingdom, Colombia and El Salvador). Also, even in cases of existing international treaties, some internal procedures may be required in each jurisdiction of the recognition and enforcement of foreign decisions or awards.

In addition, the bankruptcy, insolvency, reorganization, foreign exchange, administration and other laws of the various jurisdictions of organization, incorporation, formation and/or registration (as applicable), including for example the laws of El Salvador, Ecuador, Costa Rica and Guatemala, may be materially different from or in conflict with one another or those of the United States, including in respect of creditors' rights, priority of governmental and other creditors (such as unpaid social security contributions, outstanding wages and severance owed to employees and tax liabilities), the ability to obtain post-petition interest and the duration of the insolvency proceedings. As a result, creditors relying on the collateral should be aware that their claims may rank junior to these obligations in the distribution of the New Notes Guarantor's assets during bankruptcy or liquidation proceedings in such jurisdictions. The consequences of the multiple jurisdictions involved in the transaction could trigger disputes over which jurisdiction's law should apply, which could adversely affect rights to foreclose on the New Notes Collateral or exercise other remedies or to enforce the New Notes and the New Notes Guarantees in the relevant jurisdictions or limit any amounts that you may receive.

Security over certain New Notes Collateral will not be in place on the issue date of the New Notes and will not be perfected on the issue date, and we will not be required to perfect security interests in some instances.

The security interests in a substantial portion of our assets that will secure the New Notes will not be in place on the issue date for the New Notes. The New Notes Indenture will require us to create such security interests within a specified time after the issue date for the New Notes and failure to timely do so over a substantial portion thereof would result in an event of default which, if not waived, could result in the acceleration of the New Notes and any other debt of ours with cross-default or cross-acceleration provisions. If the Company were to fail to pledge within the timeframe required by the New Notes Indenture and the New Notes are accelerated, holders may not get the benefit of the New Notes Collateral. Additionally, problems related to the creation or perfection of the security interest on the New Notes Collateral may arise, and we may not take all actions necessary to create properly perfected security interests, which may result in the loss of priority of the security interest in favor of holders of the New Notes to which they would otherwise have been entitled or otherwise limit or restrict the ability of the Collateral Trustees to foreclose for the benefit of the holders of the New Notes.

Moreover, the failure to have security in place or perfected may adversely affect the ability of noteholders to obtain the benefits of certain New Notes Collateral.

In the event of a failure to create and perfect liens on the New Notes Collateral, the New Notes will not be secured by such assets, and the holders of the New Notes will not be entitled to the proceeds from the sale of all or any of New Notes Collateral or any other remedies in connection therewith.

Any security for the New Notes and other remedies may be shared with other debtholders.

The New Notes and the obligations under the Refinancing Notes and, with respect to the Existing Collateral, the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received) are and will be secured by the New Notes Collateral. In addition, the New Notes Indenture, the indenture governing the Refinancing Notes and the Existing Notes Indenture, and the related security documents, will, subject to compliance with the restrictive covenants included therein, permit the incurrence of certain additional secured indebtedness which may be secured on a pari passu basis with such indebtedness. Prior to the payment in full of the obligations outstanding under the Refinancing Notes and the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received) and under certain circumstances thereafter, your remedies upon a default may be significantly limited if the holders of other classes of indebtedness secured by the New Notes Collateral securing the New Notes do not wish to exercise remedies or exercise remedies in a manner different from the manner preferred by the holders of the New Notes. In addition, the New Notes Indenture and the security documents pursuant to which the security interest will be granted to the Collateral Trustees to secure the New Notes will permit the incurrence of certain additional debt secured by a junior lien on the New Notes Collateral securing the New Notes, and your rights and remedies with respect to such New Notes Collateral are subject to certain rights and remedies of the beneficiaries of the junior lien. See "Description of the New Notes—Security for the New Notes."

The value of the New Notes Collateral securing the New Notes may not be sufficient to entitle holders to payment of post-petition interest.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us, holders of the New Notes may only be entitled to post-petition interest under the Bankruptcy Code to the extent that the value of the New Notes Collateral in which the Collateral Trustees has a perfected security interest is greater than the pre-bankruptcy claim of such holders and other creditors with a *pari passu* security interest in the same New Notes Collateral, including creditors under the Refinancing Notes and the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received). Holders of the New Notes that have a perfected security interest in New Notes Collateral with a value equal to or less than the aggregate pre-bankruptcy claims of such holders and such other creditors with a *pari passu* security interest in the same New Notes Collateral, may not be entitled to post-petition interest under the Bankruptcy Code. Post-petition interest that accrues on other *pari passu* debt secured by the New Notes Collateral will reduce, on a *pari passu* basis, the amount of New Notes Collateral available to pay post-petition interest on the New Notes.

English insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law.

The Issuer, certain of the New Notes Guarantors and certain of the providers of New Notes Collateral are companies incorporated under the laws of England and Wales. Accordingly, insolvency proceedings with respect to any of those entities would be likely to proceed under, and be governed by, English insolvency law. English insolvency law may not be as favorable to investors as the laws of the United States or other jurisdictions with which investors are familiar. In the event that any one or more of the Issuer or New Notes Guarantors experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

In the event that any one or more of the Issuer, the New Notes Guarantors, any future guarantors, if any, or any other of AGIL's subsidiaries were to experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Any New Notes Guarantees and New Notes Collateral provided by entities organized in jurisdictions not discussed in this Exchange Offer and Consent Solicitation Memorandum are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the New Notes Guarantees or security after bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Note Guarantees or the New Notes Collateral in these jurisdictions and limit any amounts that you may receive.

In the event of a U.S. bankruptcy, the ability of the Collateral Trustees to realize upon the New Notes Collateral will be subject to certain U.S. bankruptcy law limitations.

The ability of the Collateral Trustees to realize upon the New Notes Collateral in which the applicable New Notes Collateral Trustee has a perfected security interest will be subject to certain bankruptcy law limitations in the event of the Issuer's or the New Notes Guarantors' bankruptcy. Under applicable U.S. federal bankruptcy laws, secured creditors are prohibited from repossessing their security from a debtor in a bankruptcy case, or from disposing of such security, without bankruptcy court approval. Any resulting delay in the enforcement of a security interest could be for a substantial period of time. Moreover, applicable U.S. federal bankruptcy laws generally permit the debtor to continue to retain and use New Notes Collateral even though the debtor is in default under the applicable debt instruments, provided generally that the secured creditor is given "adequate protection" with respect to the secured portion of its claim against the debtor. The meaning of the term "adequate protection" may vary according to the circumstances, but is intended in general to protect the secured creditor against any decrease in the value of the secured creditor's interest in the New Notes Collateral as a result of the stay of repossession or disposition of the New Notes Collateral, or any use of the New Notes Collateral by the debtor, during the pendency of the bankruptcy case. Adequate protection may take the form of cash payments or the granting of additional security, if and at such times as the presiding court in its discretion determines. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a U.S. bankruptcy court, even if the New Notes were fully secured by a perfected security interest in the New Notes Collateral, we cannot predict whether payments under the New Notes would be made following commencement of and during a bankruptcy case, whether or when the applicable Collateral Trustee could foreclose upon or sell the applicable New Notes Collateral or whether or to what extent holders of New Notes would be compensated for any delay in payment or loss of value of the New Notes Collateral through the provision of "adequate protection."

Furthermore, in the event a U.S. bankruptcy court determines that the value of the New Notes Collateral in which the applicable Collateral Trustee has a perfected security interest is not sufficient to repay all amounts due on the New Notes (and any other indebtedness or obligations equally and ratably secured by the same New Notes Collateral, including our obligations under the Refinancing Notes and the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received)), on the date of the U.S. bankruptcy filing, noteholders would have unsecured claims for any deficiency. The Bankruptcy Code does not require the debtor to pay or accrue interest, costs, fees or charges for holders of undersecured claims during the bankruptcy proceeding.

The Collateral Trustees' ability to foreclose on the New Notes Collateral may be subject to lack of perfection, the consent of third parties (including governmental authorities), prior liens and practical problems associated with the realization of the Collateral Trustees' lien on the New Notes Collateral. In particular, if the applicable Collateral Trustee does not have a perfected security interest in all or a portion of the New Notes Collateral, then to that extent such Collateral would be available generally to satisfy the claims of unsecured creditors in the Issuer's and New Notes Guarantors' bankruptcy.

In the event of a bankruptcy in Colombia, the ability of the Collateral Trustees to enforce security interests over the New Notes Collateral will be subject to certain bankruptcy law limitations.

Under Colombian law, enforceability of security interests during insolvency proceedings depends on the type of proceeding. In a reorganization proceeding, the enforcement of collateral of secured creditors is subject to a stay as per article 17 of Law 1116 of 2006. That stay will be lifted only if (i) a reorganization plan is not approved (either by the creditors or by the bankruptcy court), (ii) the debtor in default fails to meet its obligations under the reorganization agreement, or (iii) the pledged assets under the relevant security interest agreements are not deemed essential for the operation of the insolvent entity. Assets will be classified as necessary assets during the reorganization proceeding on a case-by-case basis and in accordance with the rules and criteria set forth by Law 1676 of 2013 and Decree 1835 of 2015. Additionally, during a reorganization proceeding, regardless of the vote by a secured creditor with respect to a reorganization agreement, the secured creditors' collateral can be disposed and sold for the benefit of the reorganization estate although each secured creditor will keep its priority in respect of, and will be paid first out of the proceeds of, the sale of its collateral. Pursuant to Law 1676, once the reorganization agreement is confirmed by the insolvency court, the secured creditor has the right to be paid preferentially over the claims that are subject to the reorganization agreement. However, the right to receive payment "before" unsecured creditors cannot be construed as a right to receive immediate payment. Instead, the insolvency court may authorize (i) the auction or appropriation of

the collateral; or (ii) the negotiation with the debtor to determine the terms of payment of the obligation taking into account the financial capacity of the debtor; or (iii) the restitution of the original payment instalments, among others.

As of the date of this Exchange Offer and Consent Solicitation Memorandum, Colombian insolvency law prohibits the acceleration of any obligation owed by a Colombian entity, when a reorganization proceeding is commenced against that company or entity in Colombia without the insolvency court's authorization. This restriction applies without limitation and the provisions regarding the acceleration of financial obligations of a Colombian company solely because of the fact that that company is subject to the insolvency proceeding are unenforceable (*ineficaz*). Furthermore, if a creditor tries to accelerate indebtedness owed by a Colombian debtor who is subject to a reorganization proceeding, that indebtedness will be deferred until the payment in full of all other indebtedness owed by that debtor (including claims of unsecured creditors) and the creditor's rights in the collateral will be terminated.

Pursuant to Law 1116 of 2006 of Colombia, trust agreements will be mandatorily terminated upon the commencement of the judicial liquidation of a settlor domiciled in Colombia, unless the purpose of the trust was the issuance of securities in the local or foreign public securities market or securing such an issuance. We cannot assure you that an insolvency court would determine that the trust agreements that are part of the New Notes Collateral fall within that exception. Thus, the trust agreements may be terminated upon the commencement of the judicial liquidation of the entity and, as a result, their assets may become available to the liquidation estate for the benefit of all the estate's creditors and not just the creditors secured by the trust agreements assets. Moreover, recent decisions have ruled that assets paid and transferred to a guarantee trust after the commencement of the judicial liquidation proceeding of its Colombian settlor (regardless of whether the corresponding payment rights were assigned prior to the commencement of the judicial liquidation proceeding) belong to the liquidation estate of that settlor and are for the benefit of all the estate's creditors and not just the secured creditors under the guarantee trust. This may reduce the recovery, in whole or in part, that would otherwise be available to the holders of the New Notes, may delay the recovery and would negatively impact the value of the New Notes.

Additionally, upon commencement of a judicial liquidation or reorganization proceeding, claims of secured creditors would be junior to labor, pension and tax claims among other claims that are entitled to preference by operation of law.

In accordance with Article 52 of Law 1676, in a liquidation proceeding under Law 1116 of 2006, the secured creditor may request the exclusion of the New Notes Collateral from the liquidation estate provided that the security interest is properly registered in the National Registry of Movable Assets (*Registro Nacional de Garantías Mobiliarias*) or with the especial applicable registry pursuant to applicable laws. Also, according to Ruling C-145 of 2018 issued by the Colombian Constitutional Court, the restriction to the enforcement of security interests regarding the sufficiency of the assets to pay child support obligations and labor claims is also applicable in relation to the preferential payment of a secured creditor once the reorganization agreement is confirmed. In the event that the Colombian New Notes Guarantors are subject to reorganization proceedings provided for in Law 1116, obligations payable to the holders of the New Notes may subject to payment of statutory preferential obligations, the creation of security interests over the New Notes Collateral may be challenged and its enforcement will be limited, which may ultimately delay or even impair payment of the New Notes. See "Enforceability of Civil Liabilities—Colombia" for more information.

Insolvency proceedings in Colombia may adversely affect foreclosure rights of the holders of the New Notes in respect to security registered as a garantía mobiliaria.

Upon commencement of a reorganization proceeding in Colombia, any foreclosure or collection proceeding against the debtor will be subject to an automatic stay, and any payment by the debtor will be subject to the rules of the reorganization agreement. In accordance with Article 50 of Law 1676 of 2013, creditors secured with collateral registered as a *garantía mobiliaria* (i) may be allowed to foreclose the respective collateral owned by the debtor subject to a reorganization proceeding, provided that the secured assets do not constitute essential assets for the debtor's economic activity or those assets are at risk of being destroyed and the intervening court authorizes that foreclosure, and (ii) once the reorganization agreement is confirmed, each secured creditor whose collateral is subject to the reorganization agreement will have the right to have its credit paid from the proceeds of that collateral with preference over the other creditors that are part of the agreement. However, those rights will only be available to the secured creditors to the extent that the intervening court determines that the other assets of the debtor are sufficient to

ensure the payment of salary and benefits derived from the employment contracts as well as alimony, if any. Moreover, under certain recent decisions of the CSC, if, during a reorganization proceeding, the secured creditors decide to foreclose on any piece of collateral registered as a garantía mobiliaria and, as a result of that foreclosure, the pledged assets are transferred to a third party, the purchase price of those pledged assets could be subject to certain restrictions.

Enforcement of a foreign judgment in Colombia, El Salvador and other jurisdictions can be required for the holders of the New Notes to enforce rights in the New Notes Collateral affecting the assets located in such countries.

If a default occurs under the New Notes and the New Notes Guarantees, the Collateral Trustee, for the benefit of the holders of the New Notes, may initiate the applicable proceeding in the jurisdictions where the New Notes Collateral is located for the seizure of the New Notes Collateral based on the applicable Security Documents. If there is a dispute as to whether a default has occurred under the New Notes Indenture governing the New Notes according to the laws of the State of New York, it is likely that the authority before which the Collateral is enforced, including for example Colombian, Salvadoran, Ecuadorean, Mexican and Chilean authorities, will require evidence that, from a New York law perspective, the default has occurred or a New York court ruling confirming that a default under the New Notes or the New Notes Guarantees has occurred under the New Notes Indenture and given rise to the applicable Collateral Trustee's right to enforce the rights of the holders of the New Notes and the New Notes Guarantees in the assets and rights given as New Notes Collateral under the applicable Security Documents. The New York court ruling may be enforced by the courts of the relevant jurisdictions against any of the applicable New Notes Guarantors, provided that the applicable requirements for such jurisdiction for the enforceability of civil liabilities are met. For instance, in Colombia and certain other jurisdictions, it is required that the "*exequatur*" proceeding is initiated and successfully completed before the relevant courts. However, the Colombian and other legal systems are not based on precedents and such exequatur decisions are made on a case-by-case basis. Therefore, no assurance can be given that ratification and execution would be obtained in a timely manner.

Currently there is no bilateral treaty between certain of these jurisdictions and the United States of America that allows the enforcement of foreign judgments automatically. For instance, the United States and Colombia do not have a bilateral treaty providing for automatic reciprocal recognition and enforcement of judgments in civil and commercial matters. However, the Colombian Supreme Court has generally accepted that reciprocity exists when it has been proven that either a U.S. court has enforced a Colombian judgment or that a U.S. court would enforce a foreign judgment, including a judgment issued by a Colombian court. As such, Colombian courts will enforce a foreign judgment, without reconsideration of the merits if the judgment satisfies the requirements set out in Articles 605 through 607 of Law 1564 of 2012, or the Colombian General Code of Procedure (*Código General del Proceso*), which provides that the foreign judgment will be enforced if certain conditions are met, as described in detail in "Enforceability of Civil Liabilities—Colombia."

In addition, the bankruptcy, insolvency, administrative and other laws of certain of these jurisdictions may be materially different from, or be in conflict with, each other and those with which you may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the New Notes in the relevant jurisdictions or limit any amounts that you may receive.

We cannot assure you that the recognition process would be conducted in a timely manner or that the courts in any such jurisdictions would enforce the New York law judgment related to the default under the New Notes and New Notes Collateral governed by the law of such jurisdiction. See "Enforceability of Civil Liabilities" for more information.

Lien searches may not reveal all liens on the New Notes Collateral, and we have only conducted lien searches in a limited number of jurisdictions and registries.

In connection with the issuance of the New Notes, we will conduct UCC lien searches in Washington D.C. as well as lien searches in any other U.S. state in which a Guarantor is organized. We cannot guarantee that any such searches conducted in respect of the New Notes Collateral would reveal any or all existing liens on such New Notes Collateral. Any such existing lien, including undiscovered liens, could be significant, could be prior in ranking to the liens securing the New Notes and could have an adverse effect on the ability of the Collateral Trustees to foreclose

upon or exercise other remedies with respect to the New Notes Collateral or realize the value of such assets for the benefit of the New Notes.

The value of our route franchise may be impaired or unrealizable if governmental or airport authorities add, change or eliminate existing routes, slots or gates.

While we expect to pledge, subject to certain exceptions, the equity interests of subsidiaries that operate our route franchise, the value of the route authorities, slots and gates that are a part of our route franchise may be negatively affected by the actions or inactions of the United States, foreign governments or airport authorities over which we have no control. For instance, it is possible that slots could be reassigned to competing carriers without compensation to us, particularly if the slots are underutilized or not used, thus decreasing the value of the route franchise, as well as potentially our results of operations and cash flow. Route authorities, like slots, are also subject to forfeiture and reassignment if they are underutilized or not used for a certain period of time, depending on the jurisdiction.

Our route authorities are governed by bilateral or multilateral international treaties and agreements, and our operating rights and approvals are issued by the United States and by foreign governments. Consequently, our route authorities are subject to political and governmental risks, such as changes in foreign or U.S. government aviation policies or treaties and agreements. In addition, bilateral and multilateral treaties and agreements are subject to renegotiation from time to time. Under some bilateral or multilateral aviation treaties and agreements, a limited number of U.S. and foreign airlines are permitted to operate between the United States and the country or countries in question. However, the United States has followed a policy since the early 1990s of encouraging other countries to revise bilateral or multilateral agreements relating to route authorities to provide for "open skies," granting carriers from each country liberalized rights to operate flights between the two countries.

Despite the fact that the route authorities we utilize to serve airports comprising some of our international destinations are governed by open skies agreements or other bilateral agreements similar to open skies agreements, some of these airports are still capacity constrained. If the capacity of any of these airports to handle flights expands in the future, resulting in increased access by our competitors to operate flights from the United States or a foreign country to that airport, then the value of the route franchise relating to our scheduled services to such airport could be adversely affected. Any increase in the number of available slots or gates at any of the airports to which we provide our scheduled service may also adversely affect the value of the route franchise, and accordingly, the New Notes Collateral.

Governmental authorities may change or eliminate existing route authorities. For example, DOT may alter, modify, partially delete or suspend a route authority after finding that the "public convenience and necessity" so require. Route authorities not subject to open skies agreements are also subject to forfeiture and reassignment if they are not used in accordance with DOT rules. In the event of an aero-political dispute with another country, DOT may subject foreign carriers to various countermeasures such as advance schedule approval, and in serious cases, disapproval. By order, DOT has prohibited service to Venezuela, which precludes us from serving it as an intermediate point for passenger service and for all cargo services. In addition, any fixed-term route authority is subject to DOT renewal.

Slots are also generally granted by governmental authorities, airport authorities or persons designated by them, including international slot coordinators who coordinate slot allocations and scheduling among airlines at certain international slot-controlled airports. Slots typically are subject to "use or lose" rules, which are minimum utilization requirements issued by the U.S. or foreign governmental authorities and airport authorities.

Slots may be forfeited and reallocated to other airlines, particularly if the slots are not used in compliance with such rules. In addition, slots may be eliminated, or the terms and conditions of the slots may be changed, by the authorities that establish them.

Investors should give due consideration to risks described herein relating to the route authorities, slots and gates when assessing the value of our route franchise and the New Notes Collateral securing the New Notes.

Risks Related to our Indebtedness, the New Notes and the New Notes Guarantees

We have significant Debt outstanding and we may not be able to generate sufficient cash to service all of our Debt and may be forced to take other actions to satisfy our obligations under our Debt, which may not be successful.

As of September 30, 2024, after giving effect to the Transactions, we would have had $5,221.5 million of long-term debt (including current portion), short-term borrowings and long-term lease liability (including current portion) outstanding (including $2,655.1 million in lease liability), of which $5,214.9 million would have been secured. After the Expiration Date, depending on the final amount of Existing Notes exchanged and not withdrawn in the Offer and Solicitation, we may issue fewer New Notes and have more outstanding Existing Notes. In addition, as of September 30, 2024, we had agreements to acquire 103 A320 Family aircraft to be delivered between 2025 and 2031, along with options to acquire 35 additional aircraft, (in each case pursuant to long-term fleet lease agreements).

Our leverage may impair our ability to obtain additional financing for working capital, capital expenditures, acquisitions or other important needs or to do so on acceptable terms. In addition, we may be required to direct a substantial portion of our cash flow to the payment of principal and interest on our Debt, which could impair our liquidity and reduce the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other important needs.

We cannot assure you that we will be able to generate a level of cash flow from operating activities sufficient to permit us to service the New Notes and our other Debt or that future borrowings or leases will be available to us in an amount sufficient to enable us to service the New Notes and our other Debt or to fund our other liquidity needs. Our ability to make scheduled payments on or to refinance our Debt obligations and to fund our other planned liquidity needs depends on our future performance and ability to generate cash, which is subject, among other things, to the success of our business strategy, prevailing economic conditions and financial, competitive, legislative, legal, regulatory and other factors, including other factors discussed in these "Risk Factors," many of which are beyond our control.

Our leverage may also increase the possibility of an event of default under the financial and operating covenants contained in our Debt instruments (including the New Notes Indenture governing the New Notes) and limit our ability to adjust to rapidly changing conditions in the market or the airline industry, reducing our ability to withstand competitive pressures and making us more vulnerable to a downturn in general economic conditions or business than our competitors that are less leveraged. If we default on the payments required by any of our Debt (including under the New Notes Indenture governing the New Notes), that Debt, together with Debt incurred pursuant to other debt agreements, contracts or instruments that contain cross-default or cross-acceleration provisions may become payable on demand, and we may not have sufficient funds to repay all of our Debt.

If we cannot make scheduled payments on our Debt, we will be in default and holders of the New Notes, the Refinancing Notes and the Existing Notes could declare all outstanding principal and interest to be due and payable, and the lenders under our other Financial Indebtedness agreements could terminate their commitments to loan money, and in each case foreclose against the assets securing their respective Debt and we could be forced into bankruptcy or liquidation. All of these events could result in your losing your investment in the New Notes.

Furthermore, if our cash flows and capital resources are insufficient to service our Debt obligations, we may be forced to reduce or delay investments and capital expenditures or to sell assets, seek additional capital or restructure or refinance our Debt, any of which will depend on our cash needs, our financial condition at such time, the then-prevailing market conditions and the terms of our then existing debt instruments, which may restrict us from adopting some of these alternatives. Any failure to make payments of interest and principal on our outstanding Debt on a timely basis would likely result in a reduction of our credit ratings, which could also harm our ability to incur additional Debt. In addition, any refinancing of our Debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Moreover, if we are required to sell assets in connection with any refinancing or repayment, we cannot assure you that the timing of the sales and the amount of proceeds realized from those sales would be on acceptable terms. Any failure to refinance or repay our Debt when due would have a material adverse effect on our business, results of operations and financial condition.

Our Financial Indebtedness agreements and Aircraft Leases contain restrictive covenants and events of default that impose significant operating and financial restrictions on us.

Our Financial Indebtedness agreements (including the New Notes Indenture that will govern the New Notes) and Aircraft Leases contain restrictive covenants and events of default that impose significant operating and financial restrictions on us, including, but not limited to, limitations on our ability to:

- incur additional debt for borrowed money and guarantee that indebtedness;
- pay dividends or make other distributions or repurchase or redeem our capital stock;
- prepay, redeem or repurchase certain debt;
- issue certain preferred stock or similar equity securities;
- make loans and investments;
- sell assets;
- incur liens;
- enter into transactions with affiliates;
- alter the businesses we conduct;
- enter into agreements restricting (a) the ability to provide liens on the New Notes Collateral to secure the obligation under the New Notes Indenture and (b) our subsidiaries' ability to pay dividends; and
- consolidate, merge or sell all or substantially all of our assets.

These restrictions on our ability to operate our business could seriously harm our business by, among other things, limiting our ability to take advantage of financings, mergers, acquisitions and other corporate opportunities.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants. Our Financial Indebtedness agreements and Aircraft Leases also include events of default in a wide range of circumstances, including, but not limited to, if (i) we fail to make any payment required under the agreements, (ii) we fail to obtain or maintain the insurance required, (iii) we breach any covenant or representation and warranty and do not cure it within the agreed time periods (if any), (iv) the licenses, certificates and permits required for the conduct of our business as a certificated air carrier are modified in a manner unacceptable to the lessor (in Aircraft Leases) or cease to be in full-force, (v) our indebtedness (as may be defined in each agreement) is not paid when due or becomes due on a prior date to the one when it would have otherwise become due, (vi) we discontinue (temporarily or otherwise) our business or sell or otherwise dispose of all or substantially all of our assets, (vii) we fail to pay a material final judgment, (viii) there is a change in our ownership, subject to certain exceptions or (ix) failure to comply with maintenance provisions. These agreements also provide for events of default in case of certain insolvency events. Failure to comply with the covenants under our Financial Indebtedness agreements and Aircraft Leases could result in a default under the relevant agreement and ultimately a repossession of the relevant aircraft or engine (for the financing of aircraft and engines). A default would permit lenders to accelerate the maturity for the Debt under these agreements and to foreclose upon any New Notes Collateral securing the Debt. Certain of these Aircraft Leases and Financial Indebtedness agreements (including the New Notes Indenture that will govern the New Notes) also contain cross-default or cross-acceleration clauses, as a result of which defaults under one agreement may be treated as defaults under other agreements as well. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations, including our obligations under the New Notes. Consequently, a failure to comply with the covenants in our Financial Indebtedness agreements and Aircraft Leases, or the occurrence of an event of default thereunder, could adversely affect our business, results of operations and financial condition.

We have a significant amount of aircraft-related fixed obligations that could impair our liquidity and thereby harm our business, results of operations and financial conditions.

As of September 30, 2024, 94.5% of our aircraft Fleet was financed under long-term fleet rental contracts capitalized on our balance sheet under IFRS 16. As of September 30, 2024, we had aircraft and engines lease liabilities of $2,655.1 million. In addition, we have significant obligations for aircraft that we have ordered from Airbus and Boeing and engines, which are manufactured by Rolls Royce and CFM International/GE, for delivery over the next several years. Our ability to pay the fixed costs associated with these contractual obligations will depend on our operating performance, cash flow and our ability to secure adequate financing, which will in turn depend on, among other things, the success of our current business strategy, fuel price volatility, availability and cost of financing, as well as general economic and political conditions and other factors that are, to some extent, beyond our control. The amount of aircraft-related fixed obligations could have a material adverse effect on our business, results of operations and financial condition and could:

- require a substantial portion of cash flow from operations be used for Aircraft Lease and interest expense, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our ability to make required pre-delivery payments ("PDPs"), including those payable to our aircraft and engine manufacturers for our aircraft and spare engines on order;
- limit our ability to obtain additional financing to support our expansion plans and for working capital and other purposes on acceptable terms or at all;
- make it more difficult for us to pay our other obligations as they become due during adverse general economic and market industry conditions because any related decrease in revenues could cause us to not have sufficient cash flows from operations to make our scheduled payments;
- reduce our flexibility in planning for, or reacting to, changes in our business and the airline industry and, consequently, place us at a competitive disadvantage to our competitors with lower fixed payment obligations; and
- cause us to lose access to one or more aircraft and forfeit our security deposits if we are unable to make our required Aircraft Lease rental payments and our lessors exercise their remedies under the Aircraft Lease, including repossession of the aircraft and cross-default provisions in certain of our Aircraft Leases.

Variations in interest rates may adversely affect our business, results of operations and financial condition.

We are exposed to the risk of interest rate variations. A substantial portion of our U.S. dollar-denominated debt is exposed to variations in the Secured Overnight Financing Rate, or SOFR. Any increase in inflation or other macroeconomic pressures may lead to increases in these rates. As of September 30, 2024, after giving effect to the Transactions, we would have had $416.2 million in aggregate principal amount of variable-rate debt, representing 8% of our total outstanding long-term debt (including current portion), short-term borrowings and long-term lease liability (including current portion).

Increases in the above-mentioned rates may result in higher interest payments under our Debt, and we may not be able to adjust the prices we charge to offset the impact of these increases. If we are unable to adequately adjust our prices, our revenue might not be sufficient to offset the increased payments due under our Debt, including the New Notes, which would adversely affect our business, results of operations and financial condition.

Despite our significant Debt, we and our subsidiaries will still be able to incur significant amounts of additional Debt, which could further exacerbate the risks associated with our significant Debt.

We and our subsidiaries may be able to incur significant additional Debt (including additional Aircraft Leases and additional secured Debt) in the future. Although the agreements governing our Debt contain and the New Notes

Indenture that will govern the New Notes will contain restrictions on the incurrence of additional Debt, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be significant. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, if we incur any additional indebtedness secured by liens that rank equally with those securing the New Notes, the holders of that indebtedness will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of the Avianca Group. If we were to incur significant additional Debt, we may be unable to service our new and existing Debt obligations, including the New Notes, which could result in an acceleration of our Debt, and the related risks that we and the New Notes Guarantors now face could intensify. See "Description of the New Notes." This, in turn, could have a material adverse effect on our business and financial condition.

The Issuer is a holding company with no operations of its own and, as such, it depends on its subsidiaries for cash to meet its obligations.

As a holding company that does not conduct any business operations of our own, the Issuer's principal source of cash flow will be distributions or payments from its operating subsidiaries, certain of which will not be guarantors of the obligations under the New Notes and the New Notes Indenture. Therefore, the Issuer's ability to fund and conduct its business and service its debt, including the New Notes, will depend on the ability of its subsidiaries and intermediate holding companies to make upstream cash distributions or payments to the Issuer, which may be impacted, for example, by their ability to generate sufficient cash flow or limitations on the ability to repatriate funds whether as a result of currency liquidity restrictions, monetary or exchange controls or otherwise. The Issuer's operating subsidiaries and intermediate holding companies are separate legal entities, and although they are directly or indirectly wholly owned and/or controlled by the Issuer, they have no obligation to make any funds available to the Issuer, whether in the form of loans, dividends or otherwise. In particular, unless they are New Notes Guarantors or guarantors under the Issuer's other indebtedness, the Issuer's subsidiaries do not have any obligation to pay amounts due on the New Notes or the Issuer's other indebtedness or to make funds available for that purpose. While the New Notes Indenture that will govern the New Notes and other agreements governing the Issuer's indebtedness limit the ability of the Issuer's subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to the Issuer, these limitations are subject to qualifications and exceptions. The ability of the Issuer's operating subsidiaries and intermediate holding companies to distribute cash to the Issuer will also be subject to, among other things, restrictions that are and may be contained in the agreements governing our Debt as entered into from time to time and the facilities of our operating subsidiaries, availability of sufficient funds in such subsidiaries and applicable laws, taxes and regulatory restrictions, including monetary or fiscal controls and restrictions. Claims of any creditors of any of the Issuer's subsidiaries generally will have priority as to the assets of such subsidiaries over the Issuer's claims and claims of the Issuer's creditors and shareholders. To the extent the ability of any of the Issuer's subsidiaries to distribute dividends or other payments to the Issuer is limited in any way, the Issuer's ability to fund and conduct its business and service its debt, including the New Notes, could be harmed, which could adversely affect our business, results of operations and financial condition.

The terms and conditions of the Refinancing Notes have not been finalized.

As of the date of this Exchange Offer and Consent Solicitation Memorandum, we have not yet commenced the Concurrent Offering. Our ability to consummate the Concurrent Offering is subject to market conditions, and we cannot assure you that we will be able to consummate the Concurrent Offering on the terms or on the timetable described herein, or at all. Any changes to the terms of the Refinancing Notes may increase our interest expense and adversely affect our business. The terms of the Refinancing Notes could also change in a way that increases our indebtedness or makes it easier to incur debt in the future.

The New Notes Guarantees may not be enforceable under the laws of the New Notes Guarantors' jurisdictions of incorporation or formation or where their collateral is located, and may be subject to revocation as part of a reorganization or bankruptcy liquidation proceeding.

The New Notes Guarantees may not be enforceable under the laws of the New Notes Guarantors' jurisdictions of incorporation or formation or where their collateral is located. For instance, in some of these jurisdictions, such as Colombia, Chile and Mexico, while the law does not prohibit entities to secure and guarantee

obligations of affiliates and third parties and, as a result, does not prevent the New Notes Guarantees of the applicable New Notes Guarantors from being valid, binding and enforceable against each of them, in the event any of the applicable New Notes Guarantors become subject to a reorganization or to a judicial liquidation proceeding, payments by the New Notes Guarantors made under the New Notes Guarantees (and the granting of the guarantee itself) may be deemed to have been a fraudulent transfer and declared void based upon the guarantor being deemed not to have received fair consideration in exchange for such guarantee, or in some cases if parties thereto did not act in good faith or based on other objective reasons related to the principle of equal treatment of creditors and adverse effects on creditors' rights.

Among other things, a legal challenge of a subsidiary guarantor's obligations under a guarantee on fraudulent conveyance grounds could focus on the benefits, if any, realized by such subsidiary guarantor as a result of the issuance of the New Notes. To the extent any guarantee is voided as a fraudulent conveyance or held unenforceable for any other reason, the holders of the New Notes would not have any claim against the relevant New Notes Guarantor and would be creditors solely of the Issuer and of New Notes Guarantors not affected by such voidance. If any such event were to occur, the creditworthiness of the New Notes, and the market value of the New Notes in the secondary market, may be materially adversely affected.

The New Notes and the New Notes Guarantees will be structurally subordinated to the indebtedness and other obligations of our existing and future subsidiaries that are not and do not become guarantors of the New Notes.

The New Notes and the New Notes Guarantees will be structurally subordinated to any indebtedness and other liabilities and commitments of our non-guarantor subsidiaries such that, in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a New Notes Guarantor, all of that subsidiary's creditors (including trade creditors) would be entitled to payment in full out of that subsidiary's assets before we would be entitled to any payment. For the twelve months ended September 30, 2024, our subsidiaries that will not be New Notes Guarantors represented approximately 1.4% of our consolidated revenue, while such subsidiaries represented a negative Adjusted EBITDAR as well as a net loss within our consolidated net income in the same period. As of September 30, 2024, our subsidiaries that will not be New Notes Guarantors represented approximately 5.4% and 22.2% of our total assets and total liabilities, respectively. The New Notes Guarantees will also be structurally subordinated to all existing and future debt and other liabilities, including trade payables, of our non-guarantor subsidiaries. Any right we have to receive assets of any of our non-guarantor subsidiaries upon that subsidiary's liquidation or reorganization (and the consequent right of the holders of the New Notes to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors, except to the extent that we are recognized as a creditor of that subsidiary, in which case our claims would still be subordinated in right of payment to any security in the assets of that subsidiary and any indebtedness of that subsidiary senior to that which we hold.

In addition, our subsidiaries that provide, or will provide, New Notes Guarantees will be automatically released upon the occurrence of certain events, including the following:

- the sale or other disposition, including the sale of substantially all the assets, of that subsidiary guarantor;
- the designation of that subsidiary guarantor as an unrestricted subsidiary; or
- the legal or covenant defeasance of the New Notes in accordance with the New Notes Indenture.

If any New Notes Guarantee is released, no holder of the New Notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the New Notes. See "Description of the New Notes."

The obligations under the New Notes and New Notes Guarantees will be subordinated to certain statutory liabilities.

Under Colombian, Salvadoran and other jurisdictions' bankruptcy law, obligations under the New Notes and New Notes Guarantees are subordinated to certain statutory preferences. In the event of liquidation or bankruptcy, statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes, and certain court

fees and expenses and administrative expenses will have priority over any other claims, including claims by holders of the New Notes. In such event, enforcement of the New Notes and the New Notes Guarantees may be unsuccessful, and noteholders may be unable to collect amounts that they are due under the New Notes and will be subject to specific insolvency proceedings.

In addition, creditors of the Issuer and the New Notes Guarantors may hold negotiable instruments or other instruments governed by local law that grant rights the holder of them to judicially request an attachment over the assets of the Issuer or the New Notes Guarantors at the inception of judicial proceedings in the relevant jurisdiction, which attachment is likely to result in priorities benefitting those creditors when compared to the rights of holders of the New Notes.

We may not be able to repurchase the New Notes upon a change of control.

Following a ratings decline that results from a change of control, you will have the right to require us to purchase all of the New Notes then outstanding at a price equal to 101% of the principal amount of the New Notes, plus accrued interest up to, but not including, the date of repurchase. The agreements governing our other Debt, including the Refinancing Notes, may also require us to offer to repurchase such Debt in similar circumstances, may permit the holders thereof to accelerate such Debt and declare it immediately due and payable or may result in an event of default thereunder. Particularly, if a person or group other than certain permitted holders were to acquire indirect beneficial ownership of more than 50% of the total voting power of AGIL, a trigger event would occur that would (i) allow for the early termination of the receivables sale, purchase and servicing agreement entered into in connection with the Taca Credit Card Securitization Facility and require Taca to pay a specified liquidated damages amount to unwind the facility and (ii) give rise to an event of default under the Taca Credit Card Securitization Facility that would permit the lenders to accelerate any indebtedness outstanding thereunder. Similarly, if a person or group other than certain permitted holders were to acquire indirect beneficial ownership of more than 50% of the total voting power of AGIL, and if such change in beneficial ownership also resulted in a ratings downgrade of AGIL, it would give rise to an event of default under the USAVFlow II Credit Card Securitization Facility that would permit the lenders to accelerate any indebtedness outstanding thereunder. Furthermore, if (a) AGIL ceases to own more than 50% of the total voting power of Aerovias Florida or (b) a person or group other than certain permitted holders becomes (i) beneficial owner of more than 50% of the total voting power of AGIL or (ii) otherwise acquires the right to cast more than 50% of the votes in a general meeting of shareholders of AGIL, and as a consequence of (b)(i) or (b)(ii) above, there is (x) a rating decline of AGIL or its unsecured indebtedness, or (y) a breach of certain sanctions, anti-corruption or anti-money laundering representations or covenants, then Aerovias Florida would be required to make an offer to each lender to prepay all or part of the outstanding indebtedness of such lender under the Revolving Credit Facility at a price equal to 100% of the principal amount, plus accrued and unpaid interest, commitment fees or any other applicable fee outstanding as of the date of prepayment, and customary breakage costs, if any. In our Wamos Facility, the loans can be accelerated if (a)(x) a person or group other than certain permitted holders were to acquire ownership of more than 50% of the voting stock or voting rights of AGIL and as a result thereof, (y) there is a downgrade of the corporate rating of AGIL or of its unsecured indebtedness by any nationally recognized statistical rating agency, (y) Abra ceases to own 100% of the Borrower Parent Class A Shares (as defined in the Wamos Facility) or (c) Wav Air Holdings S.L. ceases to own 100% of the capital stock and the voting rights of Wamos Air.

Upon the exercise of any such put or prepayment rights, acceleration rights or termination rights, it is uncertain whether we would be able to pay the purchase price of the outstanding New Notes or other Financial Indebtedness, or to refinance such indebtedness and replace the commitments under such Financial Indebtedness on comparable terms or at all. If we are unable to repurchase the New Notes or refinance our other Financial Indebtedness, we may need to seek to obtain necessary funds to repay the outstanding indebtedness under the New Notes and our other Financial Indebtedness by disposing of assets or issuing equity. Our ability to repurchase the New Notes or other Financial Indebtedness may also be limited by law. Further, a default under certain of our Financial Indebtedness would result in a cross default under certain of our other Financial Indebtedness.

Moreover, under certain of our Aircraft Leases, a change of control of the Company would result in an event of default. In addition, certain of our Aircraft Leases contain cross-default provisions, whereby an event of default under certain other instruments, including (i) our Financial Indebtedness or the financial indebtedness of certain of our affiliates or (ii) any other aircraft, engine, flight simulator or spare parts related lease or financing agreement between us and the applicable counterparty, would result in a default under such Aircraft Leases. An event of default

under our Aircraft Leases that is not cured within the specified period may result in the applicable lessor terminating the lease, bringing legal proceedings against us for specific performance or damages, and/or repossessing the aircraft or requiring us to immediately return the aircraft.

A change of control may also result in a default or other negative consequence under our other outstanding agreements or instruments. Our future debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a "change of control" under the New Notes Indenture.

In order to avoid the obligations to repurchase the New Notes or other Financial Indebtedness and events of default and potential breaches of the agreements that govern our Financial Indebtedness, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, certain important corporate events, such as leveraged recapitalizations, may not, under the New Notes Indenture that will govern the New Notes, constitute a "change of control" that would require us to repurchase the New Notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes.

Holders of New Notes may not be able to determine when a change of control giving rise to their right to have the New Notes repurchased has occurred following a sale of "substantially all" of the Issuer's assets.

The definition of "change of control" in the New Notes Indenture that will govern the New Notes includes a phrase relating to the sale of "all or substantially all" of the Issuer's assets. There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, you may not be able to determine whether the Issuer is required to make an offer to purchase the New Notes as a result of a sale of less than all of the Issuer's assets.

The New Notes are subject to transfer restrictions and are a new issue of securities for which there is currently no public market. You may be unable to sell your New Notes if a trading market for the New Notes does not develop.

The New Notes have not been and will not be registered under the Securities Act or any U.S. state securities law, or the securities law of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Such exemptions include, in the case of the United States, offers and sales that occur outside the United States in compliance with Regulation S and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers in reliance on Rule 144A under the Securities Act. For a discussion of certain restrictions on resale and transfer, see "Plan of distribution" and "Transfer Restrictions." Consequently, a holder of New Notes and an owner of beneficial interests in those New Notes must be able to bear the economic risk of their investment in the New Notes for the term of the New Notes.

In addition, the New Notes constitute a new issue of securities with no established trading market. Currently, there is no market for the New Notes. Although we intend to apply to have the New Notes listed on a stock exchange that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007, we cannot provide you with any assurances that the application will be accepted, that a market for the notes will develop or continue or that holders of the notes will be able to sell their notes or the price at which such holders may be able to sell their notes. If a trading market for the New Notes does not develop or is not maintained, holders of the New Notes may experience difficulty in reselling the New Notes or may be unable to sell them at all.

Even if a market develops, the liquidity of any market for the New Notes will depend on the number of holders of the New Notes, the interest of securities dealers in making a market in the New Notes and other factors; therefore, a market for the New Notes may develop though it may not be liquid. If an active trading market does not develop, the market price and liquidity of the New Notes may be adversely affected. If the New Notes are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, our performance and business prospects and other factors.

Changes in our credit ratings issued by nationally recognized statistical rating organizations could adversely affect our cost of financing and the market price of the New Notes.

Credit rating agencies rate our debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include maintaining, upgrading or downgrading the current rating or placing us on a watch list for possible future downgrading. Our Debt currently has a non-investment grade rating, and any rating assigned could be downgraded or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Credit ratings are not recommendations to purchase, hold or sell the New Notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the New Notes. Downgrading or withdrawing the credit rating of our debt securities or placing us on a watch list for possible future downgrading would likely increase our cost of financing, including resulting in an increase to the interest rate applicable to borrowings under credit facilities entered into by us, limit our access to the capital markets and have an adverse effect on the market price of the New Notes. There can be no assurance that the rating agencies will maintain our current ratings or outlooks and any such changes may have a material adverse effect on us.

Any future downgrading of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the New Notes is subsequently downgraded or withdrawn for any reason, you may not be able to resell your New Notes without a substantial discount.

Changes in certain laws could lead to the redemption of the New Notes by the Issuer.

Under the New Notes Indenture, the New Notes are redeemable at the Issuer's option, in whole (but not in part) at any time at 100% of their principal amount, together with accrued and unpaid interest to but excluding the date fixed for redemption if, as a result of changes in the laws or regulations affecting certain tax laws in the United Kingdom, Colombia or any authority therein or thereof or any other jurisdiction in which the Issuer or the New Notes Guarantors are organized or incorporated, doing business or otherwise subject to the power to tax, the Issuer or the New Notes Guarantors become obligated to pay additional amounts on the New Notes.

We may choose to redeem the New Notes when prevailing interest rates are relatively low.

We may choose to redeem the New Notes from time to time, especially when prevailing interest rates are lower than the rate borne by the New Notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the New Notes being redeemed.

Further regulation might impair the Issuer's and the New Notes Guarantors' access to U.S. dollars for repayment of the New Notes.

While the Issuer and the New Notes Guarantors are permitted, as of the date of this Exchange Offer and Consent Solicitation Memorandum, to purchase U.S. dollars to make payments of interest and principal on the New Notes, there is no assurance that they will have guaranteed access in the future to the formal exchange market for payment of interest and principal on the New Notes in U.S. dollars. Future regulations or legislative changes to the current foreign exchange control regime in Colombia or any other jurisdiction in which the Issuer or the New Notes Guarantors are organized could restrict or prevent the Issuer and the New Notes Guarantors from purchasing U.S. dollars for purposes of making payments under the New Notes.

At certain times we are required to make cash deposits to support bank guarantees of our obligations under certain leases or amounts we owe to certain vendors from whom we purchase goods and services. In light of the foregoing factors, the amount of cash that appears on our balance sheet may overstate the amount of liquidity we have available to meet our business or debt obligations, including obligations under the New Notes.

Holders of the New Notes may find it difficult to enforce civil liabilities against us and the New Notes Guarantors, and their directors, officers and controlling persons.

The Issuer is incorporated under the laws of England and Wales, and its registered office is in England and Wales. The New Notes Guarantors are incorporated in, and have their respective principal executive offices or registered offices, as applicable, in England and Wales and Colombia, among other jurisdictions. Certain of the directors and the executive officers of the Issuer and the New Notes Guarantors are non-residents of the United States. Most assets of the Issuer and the New Notes Guarantors and of their directors and executive officers, are located outside the United States. As a result, it may be difficult for holders of New Notes to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the U.S. federal securities laws. The Issuer and certain of the New Notes Guarantors have been advised by their respective counsel that there is doubt as to the enforceability against such persons in England and Wales, Colombia, or other jurisdictions, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based upon the U.S. federal securities laws. See "Enforceability of Civil Liabilities."

Although the New Notes are governed by New York law, the Colombian collateral and the Colombian guarantors will be subject to the insolvency and administrative laws of Colombia, and we cannot assure you that you will be able to effectively enforce your rights in any bankruptcy, insolvency or similar proceeding in Colombia. The laws of Colombia may not be as favorable to your interests as the laws of other jurisdictions with which you are familiar. Colombian bankruptcy laws provide that any and all contractual restrictions on the ability of a Colombian obligor to enter into a reorganization proceeding under Law 1116 of 2006 are null and void (*ineficaces*) without the need of a court decision. Acceleration, foreclosure and early termination rights, and other rights, are explicitly considered contractual provisions that fall within this limitation, considering, among other things, the fact that the exercise of those rights is not required for creditors to be recognized in the insolvency proceedings. Furthermore, if creditors enforce these contractual rights, their credits will be paid after all other credits, and in such a scenario, the bankruptcy court may order all security interests granted by the debtor in default or third parties in favor of the enforcing creditors to be cancelled. Additionally, pursuant to Article 830 of the Code of Commerce of the Republic of Colombia, any enforcement in Colombia of the rights of the holders of the New Notes is required to occur in good faith, in accordance with a legitimate purpose, and in a non-excessive way considering the purpose for which they are enforced. See also "—Risks Related to the New Notes Collateral— In the event of a bankruptcy in Colombia, the ability of the Collateral Trustees to enforce security interests over the New Notes Collateral will be subject to certain bankruptcy law limitations."

In addition, there may be limitations on your ability to enforce a judgment in respect of the New Notes in foreign courts. For example, with respect to enforcing a judgment obtained in respect of the New Notes, a final and conclusive judgment of the U.S. courts against a company, under which a sum of money is payable (not being a sum of money payable in respect of multiple damages, or a fine, penalty tax or other charge of a like nature), may be the subject of enforcement proceedings in the Supreme Court of Bermuda under the common law doctrine of obligation by action on the debt evidenced by the U.S. court's judgment. We have also been advised by counsel in Bermuda that the current position with respect to judgments of the U.S. courts (which may be subject to change) is that, on general principles, such proceedings would be expected to be successful provided that: (a) the U.S. court which gave the judgment was competent to hear the action in accordance with private international law principles as applied in Bermuda and (b) the judgment is not contrary to public policy in Bermuda, has not been obtained by fraud or in proceedings contrary to natural justice and is not based on an error in Bermuda law. Furthermore, we have been advised by counsel in Bermuda that the Bermuda courts will not enforce a U.S. federal securities law that is either penal or contrary to the public policy of Bermuda. An action brought pursuant to a public or penal law, the purpose of which is the enforcement of a sanction, power or right at the instance of the state in its sovereign capacity, will not be entertained by a Bermuda court. Certain remedies available under the laws of U.S. jurisdictions, including certain remedies under U.S. federal securities laws, will not be available under Bermuda law or enforceable in a Bermuda court, as they would be contrary to Bermuda public policy. Further, no claim may be brought in Bermuda against us or our directors and officers in the first instance for violations of U.S. federal securities laws because these laws have no extraterritorial jurisdiction under Bermuda law and do not have force of law in Bermuda. A Bermuda court may, however, impose civil liability on us or our directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under Bermuda law. However, under Section 281 of the Companies Act 1981 of Bermuda (the "Companies Act"), where the Bermuda courts determine that our directors and officers are liable in respect of negligence, default, breach of duty or breach of trust, they may relieve them, either wholly or partly from their liability

on such terms as the Bermuda courts think fit, if they determine that our directors and officers acted honestly and reasonably and ought to fairly be excused for the negligence, default, breach of duty or breach of trust, having regard to all the circumstances. Based on the foregoing, we have been advised by counsel in Bermuda that there is no certainty as to the enforceability in Bermuda, either in original actions or in actions for enforcement of judgments of U.S. courts regarding the enforcement of the New Notes, or of judgments predicated upon the civil liability provisions of the U.S. federal securities laws.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the New Notes.

Any default under the agreements governing our other Debt that is not waived by the required holders of such Debt, and the remedies sought by the holders of such Debt, could leave us unable to pay principal or interest on the New Notes and could substantially decrease the market value of the New Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal or interest on such Debt, or if we otherwise fail to comply with the applicable covenants, including financial and operating covenants, in the agreements governing our other Debt, we could be in default under the terms of the agreements governing such Debt. In the event of such default, the holders of such Debt could elect to declare all the funds borrowed thereunder to be immediately due and payable, together with accrued and unpaid interest, which in turn could trigger cross defaults under the other agreements governing our Debt. We may not have, and may not be able to obtain, sufficient funds to pay any accelerated amounts, and we could be forced into bankruptcy or liquidation. If an event of default or declaration of acceleration were to occur and not be cured, then our business, operating results and financial condition could be materially and adversely affected.

Federal, state and local fraudulent transfer laws may permit a court to void the New Notes, the New Notes Guarantees and/or the grant of New Notes Collateral, and, if that occurs, you may not receive any payments on the New Notes.

Federal, state and local fraudulent transfer and conveyance statutes may apply to the issuance of the New Notes, the incurrence of the New Notes Guarantees and the grant of New Notes Collateral. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the New Notes or the New Notes Guarantees thereof or the grant of New Notes Collateral securing any such obligations could be voided as a fraudulent transfer or conveyance if the Issuer or any of the New Notes Guarantors, as applicable, (a) issued the New Notes or incurred the New Notes Guarantees with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the New Notes or incurring the New Notes Guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

- the Issuer or any of the New Notes Guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the New Notes, the incurrence of the New Notes Guarantees or the grant of New Notes Collateral;
- the issuance of the New Notes, the incurrence of the New Notes Guarantees or the grant of New Notes Collateral, left the Issuer or any of the New Notes Guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business;
- the Issuer or any of the New Notes Guarantors intended to, or believed that the Issuer or such New Notes Guarantor would, incur debts beyond the Issuer's or such New Notes Guarantors' ability to pay as they mature; or
- the Issuer or any of the New Notes Guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against the Issuer or such New Notes Guarantor if, in either case, the judgment is unsatisfied after final judgment.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a New Notes Guarantor did not receive reasonably equivalent value or fair consideration for its New Notes Guarantee to the extent

the New Notes Guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the New Notes.

We cannot be certain as to the standards a court would use to determine whether or not the Issuer or the New Notes Guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the New Notes or the New Notes Guarantees would be subordinated to the Issuer's or any of New Notes Guarantors' other debt. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they became due.

If a court were to find that the issuance of the New Notes, the incurrence of a New Notes Guarantee or the grant of security was a fraudulent transfer or conveyance, the court could void the payment obligations under the New Notes or that New Notes Guarantee, void the grant of New Notes Collateral, subordinate the New Notes or that New Notes Guarantee to presently existing and future indebtedness of the Issuer or of the related New Notes Guarantor, or require the holders of the New Notes to repay any amounts received with respect to that New Notes Guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the New Notes. Further, the avoidance of the New Notes could result in an event of default with respect to the Issuer's and its subsidiaries' other debt that could result in acceleration of that debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the New Notes to other claims against the Issuer under the principle of equitable subordination if the court determines that (1) the holder of New Notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of New Notes and (3) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

Holders of the New Notes and New Notes Guarantees will not be entitled to registration rights, and we do not intend to register the New Notes or the New Notes Guarantees under applicable federal and state securities laws. Accordingly, there are restrictions on your ability to transfer or resell your New Notes without registration under applicable securities laws.

The New Notes are being offered and sold pursuant to an exemption from registration under U.S. and applicable state securities laws. We will not be required to, and do not intend to, register the New Notes or the New Notes Guarantees under the Securities Act or any state securities laws. Therefore, you may transfer or resell the New Notes in the U.S. only in a transaction registered under or exempt from the registration requirements of the U.S. and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See "Transfer Restrictions." By receiving the New Notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions."

Changes in U.S. federal income tax law or in the UK or Colombian tax legislation may affect the anticipated tax treatment of the purchase, ownership and disposition of the New Notes.

All statements contained in this Exchange Offer and Consent Solicitation Memorandum concerning the U.S. federal income tax, UK or Colombian tax (or other tax) consequences of the purchase, ownership and disposition of the New Notes are based on existing law and interpretations thereof. The effect of future tax law provisions is uncertain and future administrative guidance may result in changes to the tax consequences of purchasing, owning, and disposing of the New Notes. If there is a change in tax laws applicable to us in any of the jurisdictions in which we operate, there could be a material impact on the tax consequences of the ownership and disposition of the New Notes (as compared to the tax consequences under existing law). No assurance can be given that the currently anticipated

tax treatment of the purchase, ownership and disposition of the New Notes will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of a holder.

Risks Related to the Offer and Solicitation

The Offer and Solicitation may result in reduced liquidity for any Existing Notes that are not exchanged.

The trading market for Existing Notes that are not exchanged could become more limited than the existing trading market for the Existing Notes and could cease to exist altogether due to the reduction in the principal amount of the Existing Notes outstanding upon consummation of the Offer and Solicitation. A more limited trading market might adversely affect the liquidity, market price and price volatility of the Existing Notes. If a market for the Existing Notes that are not exchanged exists or develops, the Existing Notes may trade at a discount to the price at which they would trade if the principal amount outstanding were not reduced. There can, however, be no assurance that an active market in the Existing Notes will exist, develop or be maintained, or as to the prices at which the Existing Notes may trade, after the Offer and Solicitation is consummated.

In addition, there can be no assurance that, as a result of the Offer and Solicitation or otherwise, one or more rating agencies would not take action to downgrade or negatively comment upon their respective ratings on the Existing Notes. Any downgrade or negative comment by any rating agency would likely adversely affect the market price of the Existing Notes.

If the Proposed Amendments sought in the Consent Solicitation become operative, all Existing Notes will be subject to the terms of, and bound by, such Proposed Amendments, and holders of Existing Notes will no longer benefit from certain of the protections provided by the Existing Notes Indenture and will no longer be secured by the Existing Notes Collateral.

If the Proposed Amendments become operative, all holders of the Existing Notes will be bound by the Proposed Amendments to the Existing Notes Indenture, whether or not such holder delivered a Consent. Eligible Holders of Existing Notes who do not validly tender their Existing Notes in the Offer and Solicitation at or prior to the Expiration Date, although bound by the Proposed Amendments to the Existing Notes Indenture (to the extent such Proposed Amendments become operative), will not be entitled to any Exchange Consideration.

The Proposed Amendments, if adopted, would result in, among other things, the permanent elimination of substantially all of the restrictive covenants and certain events of default and related provisions in the Existing Notes Indenture, including, among other things, covenants that require reporting or the granting of future guarantees or limit the Issuer's and its subsidiaries' ability to incur indebtedness, make restricted payments (including, without limitation, investments), enter into or suffer to exist dividend or other payment restrictions, transact with affiliates, and create, incur or suffer to exist liens and release the lien on the Released Assets. In addition, in the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, the Proposed 90% Amendments will release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral. The elimination of these protections could permit the Issuer and its subsidiaries, subject to restrictions in our other debt instruments, to take certain actions previously prohibited that could materially increase our credit risk or could otherwise be materially adverse to holders of the Existing Notes, and could adversely affect the market prices and credit ratings of the non-tendered Existing Notes. See "Proposed Amendments."

The Proposed Amendments would permit the issuance of the New Notes and the Refinancing Notes, which will result in the effective subordination of the Existing Notes.

If the Majority Amendments become operative, the Existing Notes Indenture will be amended to eliminate substantially all the restrictive covenants, which would permit the issuance of the New Notes and the Refinancing Notes, including the encumbrance, in favor of the holders of the New Notes and the Refinancing Notes, of certain assets of the Issuer and its subsidiaries which will become unencumbered upon the repayment of the loans under the LifeMiles Credit Agreement with the proceeds of the Refinancing Notes and the release of the applicable collateral. As a result, each of the New Notes and the Refinancing Notes will be secured by certain assets of the Issuer and its subsidiaries that will not secure the Existing Notes on a *pari passu* basis, and the Existing Notes will be effectively

subordinated to the New Notes and the Refinancing Notes to the extent of the value of such collateral. In addition, in the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes and the 90% Amendments become operative, all of the Existing Notes Guarantees will be released and discharged and all of the Existing Notes Collateral will be released and the Existing Notes will be effectively subordinated to the New Notes and the Refinancing Notes to the extent of the value of all of the collateral securing the New Notes and the Refinancing Notes and structurally subordinated to the liabilities of any of the New Notes Guarantors and the guarantors of the Refinancing Notes.

You may not receive the Early Exchange Consideration or the Late Exchange Consideration, as applicable, in the Offer and Solicitation if you do not follow the procedures for the Offer and Solicitation.

We will deliver the Early Exchange Consideration or the Late Exchange Consideration, as applicable, in exchange for your Existing Notes only if you tender your Existing Notes in accordance with the terms of the Offer and Solicitation. You should allow sufficient time to ensure timely delivery of the necessary documents. Neither we nor the Information and Exchange Agent nor the Dealer Managers and Solicitation Agents are under any duty to give notification of defects or irregularities with respect to the tenders of Existing Notes for exchange. If you are the beneficial owner of Existing Notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender in the Offer and Solicitation, you should promptly contact the person in whose name your Existing Notes are registered and instruct that person to tender on your behalf. Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Offer and Solicitation. Accordingly, beneficial owners wishing to participate in the Offer and Solicitation should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to participate. Tenders of Existing Notes are irrevocable after the Withdrawal and Revocation of Consents Date, other than as required by applicable law.

Each Eligible Holder is responsible for complying with all of the procedures for tendering their Existing Notes pursuant to the Offer and Solicitation or revoking such tender. None of the Issuer, the Dealer Managers and Solicitation Agents, the Information and Exchange Agent or the Existing Notes Trustee assumes any responsibility for informing the Eligible Holders of irregularities with respect to any tender of Existing Notes or any Consent. Tenders of Existing Notes and Consents may only be revoked as provided in this Exchange Offer and Consent Solicitation Memorandum. See "The Offer and Solicitation."

The consummation of the Offer and Solicitation may be delayed or may not occur.

We could terminate or withdraw the Offer and Solicitation, and are not obligated to complete the Offer and Solicitation under certain circumstances and unless and until certain conditions are satisfied, including the Minimum Exchange Condition and the Financing Condition, as described more fully under "The Offer and Solicitation—Conditions to the Offer and Solicitation." There can be no assurance that such conditions will be satisfied or waived with respect to the Offer and Solicitation. Even if the Offer and Solicitation is completed, it may not be completed on the schedule described in this Exchange Offer and Consent Solicitation Memorandum. Accordingly, Eligible Holders participating in the Offer and Solicitation may have to wait longer than expected to receive their Exchange Consideration, during which time those Eligible Holders will not be able to effect transfers of their Existing Notes tendered in the Offer and Solicitation. Until the Issuer announces whether it has accepted the Existing Notes validly tendered and not validly withdrawn pursuant to the Offer and Solicitation, no assurance can be given that the Offer and Solicitation will be completed or that any failure to consummate the Offer and Solicitation will not have a negative effect on the market price and liquidity of the Existing Notes. In addition, subject to applicable law and as provided in this Exchange Offer and Consent Solicitation Memorandum, the Issuer may, in its sole discretion, extend, amend or terminate the Offer and Solicitation at any time before the Expiration Date. See "The Offer and Solicitation."

Failure to complete the Offer and Solicitation successfully could negatively affect the prices of the Existing Notes.

Several conditions must be satisfied or waived in order to complete the Offer and Solicitation. The conditions to the Offer and Solicitation may not be satisfied, and if such conditions are not satisfied or waived, or if we decide to terminate the Offer and Solicitation, the Offer and Solicitation may not occur or may be delayed. If the Offer and

Solicitation is not completed or is delayed, the market price of the Existing Notes may decline to the extent that the market price reflects an assumption that the Offer and Solicitation will be completed.

The Exchange Consideration to be received in the Offer and Solicitation does not reflect any valuation of the Existing Notes or the New Notes.

Our board of directors has made no determination that the consideration to be received in the Offer and Solicitation represents a fair valuation of either the Existing Notes or the New Notes. We have not obtained a fairness opinion from any financial advisor about the fairness to us or to you of the consideration to be received by Eligible Holders of Existing Notes. Accordingly, none of us, our boards of directors, our officers, any Dealer Managers and Solicitation Agents or any other person is making any recommendation regarding the Offer and Solicitation, and you have to make your own decision as to whether to tender Existing Notes.

No recommendation is being made with respect to the Exchange Offer.

None of the Issuer, the Dealer Managers and Solicitation Agents, the Existing Notes Trustee, the Existing Notes Collateral Trustee, the New Notes Trustee, the Collateral Trustees or the Information and Exchange Agent or any of their respective affiliates makes any recommendation to any Eligible Holder whether to tender or refrain from tendering any or all of such Eligible Holder's Existing Notes or how much they should tender, and none of them has authorized any person to make any such recommendation. Eligible Holders are urged to evaluate carefully all information in this Offer and Solicitation, consult their own investment and tax advisors and make their own decisions with respect to the Offer and Solicitation.

The consideration offered for the Existing Notes does not reflect any independent valuation of the Existing Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Offer and Solicitation. If you tender your Existing Notes, you may or may not receive as much or more value than if you choose to keep them.

Eligible Holders and beneficial owners should consult their tax, accounting, financial and legal advisers before participating in the Offer and Solicitation.

Eligible Holders and beneficial owners are liable for their own taxes (other than certain transfer taxes (as described below)) and have no recourse to the Issuer, its affiliates, the Dealer Managers or the Information and Exchange Agent with respect to taxes (other than certain transfer taxes) arising in connection with the Offer and Solicitation. Eligible Holders and beneficial owners should consult their tax, accounting, financial and legal advisers as they may deem appropriate regarding the suitability to themselves of the tax, accounting, financial and legal consequences of participating or declining to participate in the Offer and Solicitation. In particular, due to the number of different jurisdictions where tax laws may apply to an Eligible Holder or beneficial owner, this Offer and Solicitation does not discuss all tax consequences for Eligible Holders or beneficial owners arising from the purchase by the Issuer of the Existing Notes. Eligible Holders and beneficial owners should consult their tax advisers regarding the possible tax consequences of participating in the Offer and Solicitation under the laws of the jurisdictions that apply to them.

There are limits on your ability to withdraw tendered Existing Notes and revoke delivered Consents on or after the Withdrawal and Revocation of Consents Date, except as required by applicable law.

Tendered Existing Notes and validly delivered Consents may be withdrawn at any time at or prior to the Withdrawal and Revocation of Consents Date, but not thereafter. Eligible Holders of the Existing Notes that tender their Existing Notes after the Withdrawal and Revocation of Consents Date may not withdraw their tendered Existing Notes.

Tendered Existing Notes may only be validly withdrawn from an Offer and Solicitation at any time at or prior to the Withdrawal and Revocation of Consents Date by following the procedures described under "The Offer and Solicitation—Withdrawal of Tenders and Revocation of Consents." If the Issuer amends an Offer and Solicitation in a manner materially adverse to you as a tendering Eligible Holder, withdrawal rights will be extended, as the Issuer

deems appropriate and in accordance with applicable law, to allow tendering Eligible Holders a reasonable opportunity to respond to such amendment. If the Issuer terminates, withdraws or otherwise does not consummate the Offer and Solicitation, the Existing Notes tendered pursuant to such Offer and Solicitation will be promptly returned to the Eligible Holder thereof without compensation or cost to such Eligible Holder, and will remain outstanding. Eligible Holders of the Existing Notes that tender their Existing Notes may not withdraw their tendered Existing Notes or withdraw their validly delivered Consent other than in accordance with the above.

The Withdrawal and Revocation of Consents Date is 5:00 p.m., New York City time, on January 28, 2025, unless extended. The Expiration Date is 11:59 p.m., New York City time, on February 11, 2025, unless extended, and on or following the Withdrawal and Revocation of Consents Date withdrawal rights will only be provided as required by applicable law. As a result, there may be an unusually long period of time during which participating Eligible Holders may be unable to effect transfers or sales of their Existing Notes.

Eligible Holders who tender Existing Notes will release and waive any and all existing claims such Eligible Holders might otherwise have against us in connection with the Existing Notes or the Existing Notes Indenture.

Tendering of an Existing Note in the Offer and Solicitation will constitute a waiver to the extent such Existing Note is accepted in such Offer and Solicitation and the Offer and Solicitation is consummated, pursuant to which such holder will release and waive any existing claims such holder might have against the Issuer or any Existing Notes Guarantor in connection with the Existing Note or the Existing Notes Indenture.

Subsequent to the completion of the Offer and Solicitation, the Issuer may redeem or purchase any Existing Notes not tendered in the Offer and Solicitation on terms that could be more favorable to holders of Existing Notes than the terms of the Offer and Solicitation.

The Issuer may, at any time to the extent permitted by applicable law, redeem or purchase Existing Notes in the open market, in privately negotiated transactions, through subsequent tender or exchange offers or otherwise, which purchases may be made on the same terms or on terms which are more favorable to holders than the terms of the Offer and Solicitation. Holders that tender Existing Notes in the Offer and Solicitation will not, in respect of such tendered Existing Notes accepted for exchange by the Issuer, be able to participate in any subsequent redemption, repurchase, tender or exchange offer which may be made on terms that are more favorable than those of the Offer and Solicitation.

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the New Notes in the Offer and Solicitation. The Existing Notes exchanged in the Offer and Solicitation will be cancelled.

As part of the refinancing of our debt, we will be issuing additional notes for cash in the Concurrent Offering. See "Summary—Recent Developments—Concurrent Offering of Refinancing Notes" and "Capitalization."

Deutsche Bank Securities Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Credit Agricole Securities (USA) Inc., Goldman Sachs & Co. LLC, Barclays Capital Inc., and Morgan Stanley & Co. LLC are also acting as initial purchasers with respect to the Concurrent Offering, for which they may receive customary fees. Further, to the extent the Dealer Managers and Solicitation Agents or their affiliates hold Existing Notes during the Offer and Solicitation, they or their respective affiliates may tender such Existing Notes under the Offer and Solicitation. In addition, certain of the Dealer Managers and Solicitation Agents or their affiliates are holders of a portion of the Tranche A-2 Senior Secured Notes and the loans under the LifeMiles Credit Agreement and, as a result, would receive a portion of the proceeds of the Concurrent Offering used to repay the Tranche A-2 Senior Secured Notes and the loans under the LifeMiles Credit Agreement.

THE OFFER AND SOLICITATION

The following is a description of the material provisions of the Offer and Solicitation. For a more complete understanding of the Proposed Amendments and the New Notes, we urge you to read carefully "Proposed Amendments" and "Description of the New Notes."

General

The Issuer hereby invites all Eligible Holders to exchange any and all of their Existing Notes for New Notes and, as applicable, cash, upon the terms and subject to the conditions set forth in the Offer and Solicitation Documents.

The Existing Notes that are the subject of the Exchange Offer are the 9.000% Tranche A-1 Senior Secured Notes due 2028 issued by Avianca Midco 2 PLC (CUSIP Nos.: 05368PAA7 (Rule 144A), G2956PAA5 (Regulation S); ISINs: US05368PAA75 (Rule 144A), USG2956PAA50 (Regulation S)).

As of the date of this Exchange Offer and Consent Solicitation Memorandum, the aggregate outstanding principal amount of the Existing Notes is US$1,111,936,821.

Purpose of the Offer and Solicitation

The purpose of the Exchange Offer is to refinance the Existing Notes in order to optimize our debt capital structure.

The purpose of the Solicitation is to seek Consents from Eligible Holders of the Existing Notes to amend certain provisions of the Existing Notes Indenture. The Proposed Majority Amendments will, among other matters, eliminate substantially all the restrictive covenants and amend certain events of default in the Existing Notes Indenture and release the liens on the Released Assets, and, in the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, the Proposed 90% Amendments will release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral.

Eligibility to Participate in the Offer and Solicitation

If and when issued, the New Notes will not be registered under the Securities Act or the securities laws of any other jurisdiction. Therefore, the New Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

This Exchange Offer and Consent Solicitation Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration of the Offer and Solicitation and an investment in the New Notes: (a) in the United States to holders of Existing Notes who we reasonably believe are "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (b) outside the United States to holders of Existing Notes that do not represent themselves to be U.S. persons and that are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act.

Only Eligible Holders that have properly submitted a duly completed electronic Eligibility Letter by accessing the Exchange Offer Website at https://www.dfking.com/avianca are authorized to receive and review this Exchange Offer and Consent Solicitation Memorandum and to participate in the Offer and Solicitation.

If you are not an Eligible Holder, you may not participate in the Offer and Solicitation. Each Eligible Holder that tenders its outstanding Existing Notes will be agreeing with, and making the representations, warranties and agreements set forth under, "The Offer and Solicitation—Acknowledgments, Representations, Warranties and Undertakings" and "Transfer Restrictions."

Eligible Holders of Existing Notes may not tender Existing Notes without delivering the related Consents, and Eligible Holders of Existing Notes may not deliver Consents without tendering the related Existing Notes.

Exchange Consideration

Upon the terms and subject to the conditions set forth in the Offer and Solicitation Documents, Eligible Holders that validly tender, and not validly withdraw, Existing Notes, and whose Existing Notes are accepted for exchange by us, will receive:

(a) if they tender their Existing Notes on or before the Early Participation Date, US$1,000 principal amount of New Notes and US$10.00 in cash for each US$1,000 principal amount of Existing Notes validly tendered for exchange that we accept for purchase (the "Early Exchange Consideration"); and

(b) if they tender their Existing Notes after the Early Participation Date but on or before the Expiration Date, US$950 principal amount of New Notes for each US$1,000 principal amount of Existing Notes validly tendered for exchange that we accept for purchase (the "Late Exchange Consideration" and, together with the Early Exchange Consideration, the "Exchange Consideration").

Accrued Interest

In addition to the Exchange Consideration, on the Settlement Date Eligible Holders who tender and do not withdraw their Existing Notes will be entitled to receive payment of accrued and unpaid interest from, and including, the last date on which interest was paid in respect of the Existing Notes to, but excluding, the Settlement Date (the "Accrued Interest"), to be paid in cash with respect to Existing Notes accepted for exchange. Interest will cease to accrue on the Settlement Date for all Existing Notes accepted in the Exchange Offer unless we fail to deliver the New Notes in respect thereof on the Settlement Date.

Denominations and Rounding

Existing Notes may be tendered and will be accepted for payment only in principal amounts equal to the minimum denomination of US$1,000 and integral multiples of US$1.00 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Eligible Holders who do not tender all of their Existing Notes must retain Existing Notes at least equal to the minimum denomination of US$1,000. The New Notes will be issued in a minimum denomination of US$1,000 and integral multiples of US$1.00 in excess thereof. If, under the terms of the Offer and Solicitation, any tendering Eligible Holder is entitled to receive New Notes in a principal amount that is not a permitted denomination, the principal amount of the New Notes will be rounded down to the nearest permitted denomination and no cash will be paid for fractional New Notes not received as a result of such rounding down. If, however, such Eligible Holder would be entitled to receive less than US$1,000 principal amount of New Notes, the Eligible Holder's tender will be rejected in full and the Existing Notes subject to this tender will be returned to the Eligible Holder.

The Solicitation

Simultaneously with the Exchange Offer, the Issuer is also soliciting Consents of the holders of the Existing Notes to amend certain provisions of the Existing Notes Indenture. Holders that tender and do not validly withdraw their Existing Notes thereby deliver their Consent to the Proposed Amendments. The Proposed Majority Amendments will, among other matters, eliminate substantially all the restrictive covenants and amend certain events of default of the Existing Notes Indenture and release the liens on the Released Assets, and constitute a direction to the Existing Notes Trustee to enter into the Majority Amendments and to the Existing Notes Trustee and the Existing Notes Collateral Trustee to release the Released Assets. In the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, the Proposed 90% Amendments will release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral, and constitute a direction to the Exiting Notes Trustee to enter into the 90% Amendments and to the Existing Notes Trustee and the Existing Notes Collateral Trustee to execute all documents necessary to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral.

The Proposed Majority Amendments and Proposed 90% Amendments constitute a single proposal, and Eligible Holders must consent to the Proposed Majority Amendments and the Proposed 90% Amendments in their entirety.

Pursuant to the Existing Notes Indenture, the adoption of the Proposed Majority Amendments requires the consent of holders of not less than a majority in principal amount of the Existing Notes then outstanding (the "Required Consents for the Proposed Majority Amendments"), and the adoption of the Proposed 90% Amendments requires the consent of holders of at least 90% in principal amount of the Existing Notes then outstanding (the "Required Consents for the Proposed 90% Amendments").

If we obtain the Required Consents for the Proposed Majority Amendments and subject to the satisfaction of the conditions to the Offer and Solicitation, the Issuer, the Existing Notes Guarantors and the Existing Notes Trustee will, on or prior to the Settlement Date, execute the Majority Amendments to effect the Proposed Majority Amendments, which will become effective upon execution of such amendment but will not become operative until the Exchange Consideration is delivered on the Settlement Date. On or after the Settlement Date, the Issuer, the Existing Notes Trustee and the Existing Notes Collateral Trustee will execute any document that may be necessary to release the liens on the Released Assets.

If we obtain the Required Consents for the Proposed 90% Amendments and subject to the satisfaction of the conditions to the Offer and Solicitation, on or prior to the Settlement Date the Issuer, the Existing Notes Guarantors and the Existing Notes Trustee will execute the 90% Amendments to effect such amendment, which will become effective upon execution of the 90% Amendments but will not become operative until the Exchange Consideration is delivered on the Settlement Date, and all of the Existing Notes Guarantees will be released and discharged and all of the Existing Notes Collateral will be released and the Issuer, the Existing Notes Trustee and the Existing Notes Collateral Trustee will execute any document that may be necessary to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral on or after the Settlement Date.

Holders of Existing Notes who do not validly deliver Consents will be bound by the Majority Amendments if the Required Consents for the Proposed Majority Amendments are obtained, and the holders of Existing Notes who do not validly deliver Consents will be bound by the 90% Amendments if the Required Consents for the Proposed 90% Amendments are obtained. If we obtain the Required Consents for the Proposed Majority Amendments, but not for the Required Consents for the Proposed 90% Amendments, we will enter into the Majority Amendments and the Existing Notes Indenture will only be modified to reflect the Proposed Majority Amendments. If we do not obtain the Required Consents for the Proposed Majority Amendments, we will not enter into the Proposed Majority Amendments or the Proposed 90% Amendments, and the Existing Notes Indenture will remain unmodified.

If you are a holder of Existing Notes and do not tender your Existing Notes and we obtain the Required Consents for the Proposed Majority Amendments, you will continue to hold your Existing Notes, but substantially all restrictive covenants, certain events of default and other related provisions of the applicable Existing Notes Indenture will be eliminated or modified and the liens on the Released Assets will be released. In addition, if you are a holder of the Existing Notes and do not tender your Existing Notes and we obtain the Required Consents for the Proposed 90% Amendments and execute the 90% Amendments, you will continue to hold your Existing Notes, but all of the Existing Notes Guarantees will be released and discharged and all of the Existing Notes Collateral will be released. See "Risk Factors—Risks Related to the Offer and Solicitation—The Offer and Solicitation may result in reduced liquidity for any Existing Notes that are not exchanged" and "Risk Factors—Risks Related to the Offer and Solicitation—If the Proposed Amendments sought in the Consent Solicitation become operative, all Existing Notes will be subject to the terms of, and bound by, such Proposed Amendments, and holders of Existing Notes will no longer benefit from certain of the protections provided by the Existing Notes Indenture and will no longer be secured by the Existing Notes Collateral."

No separate letter of transmittal will be required for tendering Existing Notes or providing Consents for the Consent Solicitation. We will not make any payment or pay any remuneration with respect to the Consents provided under the Consent Solicitation.

Eligible Holders of Existing Notes may not deliver Consents without tendering the related Existing Notes, and Eligible Holders of Existing Notes may not tender Existing Notes without delivering the related Consents.

See "Proposed Amendments."

Early Participation Date; Expiration Date; Extensions

The Early Participation Date is 5:00 p.m., New York City time, on January 28, 2025, unless extended, in which case the Early Participation Date will be such time and date to which the Early Participation Date is extended.

The Expiration Date is 11:59 p.m., New York City time, on February 11, 2025, unless extended, in which case the Expiration Date will be such time and date to which the Expiration Date is extended. Eligible Holders will not be able to tender into DTC's ATOP system after 5:00 p.m., New York City time, on February 11, 2025. To participate in the Offer and Solicitation after 5:00 p.m., New York City time, on February 11, 2025 through the Expiration Date, Eligible Holders must email the Information and Exchange Agent directly at avianca@dfking.com.

Subject to applicable law, the Issuer, in its sole discretion, may extend the Early Participation Date or the Expiration Date for any reason, with or without extending the Withdrawal and Revocation of Consents Date. To extend the Early Participation Date or the Expiration Date, the Issuer will notify the Information and Exchange Agent and will make a public announcement thereof before 9:00 a.m., New York City time, on the first business day after the previously scheduled Early Participation Date or the Expiration Date. Such announcement will state that the Issuer is extending the Early Participation Date or the Expiration Date, as the case may be, for a specified period. During any such extension, all Existing Notes previously tendered in an extended Offer and Solicitation will remain subject to the Offer and Solicitation and may be accepted for exchange by the Issuer.

The Issuer expressly reserves the right, subject to applicable law, to:

- delay accepting any Existing Notes, extend the Offer and Solicitation, or terminate the Offer and Solicitation at any time or from time to time, in its sole discretion; and

- amend, modify or waive at any time, or from time to time, the terms of the Offer and Solicitation in any respect, including waiver of any conditions to the consummation of the Offer and Solicitation (to the extent permitted).

Subject to the qualifications described above, if the Issuer exercises any such right, the Issuer will give written notice thereof to the Information and Exchange Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which the Issuer may choose to make a public announcement of any extension, amendment or termination of the Offer and Solicitation, the Issuer will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release and in accordance with applicable law.

The minimum period during which the Offer and Solicitation will remain open following material changes in the terms of the Offer and Solicitation or in the information concerning the Offer and Solicitation will depend upon the facts and circumstances of such changes, including the relative materiality of the changes. With respect to a change in consideration, the Offer and Solicitation will remain open for a minimum 10 business day period. If the terms of the Offer and Solicitation are amended in a manner determined by the Issuer to constitute a material change, the Issuer will promptly disclose any such amendment in a manner reasonably calculated to inform Eligible Holders of such amendment, and the Issuer may extend the Offer and Solicitation following the date that notice of such change is first published or sent to Eligible Holders to allow for adequate dissemination of such change in its reasonable judgment and subject to applicable law if the Offer and Solicitation would otherwise expire during such time period.

Settlement Date

If all conditions of the Offer and Solicitation have been satisfied, or to the extent applicable, waived by the Issuer, we expect to settle the Offer and Solicitation promptly following the Expiration Date (the "Settlement Date"). Assuming that such Settlement Date is not extended and all conditions of the Offer and Solicitation have been satisfied or, where applicable, waived by us, we expect that the Settlement Date will occur on or about the third business day following the Expiration Date. We expect the Settlement Date to occur on February 14, 2025.

Conditions to the Offer and Solicitation

Minimum Exchange Condition

The consummation of the Offer and Solicitation is conditioned upon, among other conditions, the receipt of Existing Notes validly tendered (and not validly withdrawn) and accepted in the Offer and Solicitation prior to the Expiration Date representing not less than a majority in principal amount of the Existing Notes then outstanding (such condition, the "Minimum Exchange Condition").

Financing Condition

In addition, the consummation of the Offer and Solicitation is conditioned upon, among other conditions, (i) the consummation of the Concurrent Offering on terms and conditions satisfactory to the Issuer, yielding net cash proceeds that will be sufficient to redeem in full the Tranche A-2 Senior Secured Notes and to repay in full the loans under the LifeMiles Credit Agreement, (ii) the redemption in full of the Tranche A-2 Senior Secured Notes, and (iii) the repayment in full of the loans under the LifeMiles Credit Agreement and the release of all of the collateral securing the loans under the LifeMiles Credit Agreement (such condition, the "Financing Condition").

Other Conditions to the Offer and Solicitation

In addition to the Minimum Exchange Condition and the Financing Condition, and notwithstanding any other provision of the Offer and Solicitation Documents, we will not be obligated to (i) accept for exchange any validly tendered Existing Notes, (ii) issue any New Notes in exchange for validly tendered Existing Notes, or (iii) complete the Offer and Solicitation, unless each of the following conditions is satisfied at or prior to the Expiration Date:

(1) there shall not have been instituted, threatened or be pending any action, proceeding, application, claim, counterclaim or investigation (whether formal or informal) (or there shall not have been any material adverse development to any action, application, claim, counterclaim or proceeding currently instituted, threatened or pending) before or by any court, governmental, regulatory or administrative agency or instrumentality, domestic or foreign, or by any other person, domestic or foreign, in connection with the Offer and Solicitation that, in our reasonable judgment, either (i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, (ii) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Offer and Solicitation or (iii) would require a modification to the terms of the Offer and Solicitation that would materially impair the contemplated benefits of the Offer and Solicitation to us;

(2) no order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in our reasonable judgment, either (i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, (ii) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Offer and Solicitation or (iii) would require a modification to the terms of the Offer and Solicitation that would materially impair the contemplated benefits of the Offer and Solicitation to us;

(3) there shall not have occurred or be reasonably likely to occur any event or condition affecting our or our affiliates' business or financial affairs and our subsidiaries that, in our reasonable judgment, either

(i) is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition (financial or otherwise), income, assets, liabilities or prospects, (ii) would, or is reasonably likely to, prohibit or prevent, or significantly restrict or delay, consummation of the Offer and Solicitation, or (iii) materially reduces the anticipated benefits to us of the Offer and Solicitation;

(4) neither the Existing Notes Trustee, the Existing Notes Collateral Trustee, the New Notes Trustee nor the Collateral Trustees shall have objected in any respect to or taken action that could, in our reasonable judgment, adversely affect the consummation of the Offer and Solicitation in any significant manner or shall not have taken any action that challenges the validity or effectiveness of the procedures used by us in the making of any offer or the acceptance or exchange of some or all of the Existing Notes pursuant to the Offer and Solicitation;

(5) there shall not have occurred (i) any general suspension of, or limitation on prices for, trading in securities in the U.S., United Kingdom or Colombian securities or financial markets, (ii) any material adverse change in the prices of the Existing Notes, (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, the United Kingdom or Colombia or any other major financial market, (iv) a material escalation or commencement of war, armed hostilities, terrorist acts or other national or international calamity directly or indirectly involving the United States, the United Kingdom or Colombia, (v) any limitation, whether or not mandatory, by any governmental authority on, or other event in the reasonable judgment of the Issuer, having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the U.S., United Kingdom or Colombia, (vi) any material adverse change in the securities or financial markets in the U.S., United Kingdom or Colombia generally, or (vii) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof;

(6) there shall have not been any change or development, including a prospective change or development, in the general economic, financial, currency exchange or market conditions in the United States, the United Kingdom, Colombia or elsewhere that, in the reasonable judgment of the Issuer, has or may have a material adverse effect on the market price of the Existing Notes and the New Notes or upon trading in the Existing Notes and the New Notes or upon the value of the Existing Notes and the New Notes; and

(7) we shall have obtained all governmental approvals and third-party consents that we, in our reasonable judgment, consider necessary for the completion of the Offer and Solicitation as contemplated by this Exchange Offer and Consent Solicitation Memorandum and all such approvals or consents shall remain in effect.

The foregoing conditions (including the Minimum Exchange Condition and the Financing Condition) are for our sole benefit and may be waived by us, in whole or in part, at our absolute discretion, subject to applicable law. Any determination made by us concerning an event, development or circumstance described or referred to above will be conclusive and binding. Our failure at any time to exercise any of our rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time from time to time.

If any of the foregoing conditions are not satisfied, we may, at any time on or prior to the Expiration Date: (a) terminate the Offer and Solicitation and return all tendered Existing Notes to the respective tendering Eligible Holders; (b) modify, extend or otherwise amend the Offer and Solicitation and retain all tendered Existing Notes until the Expiration Date, as extended, subject, however, to the withdrawal and revocation rights of Eligible Holders, if any; or (c) waive the unsatisfied conditions with respect to the Offer and Solicitation (to the extent permitted), and accept all Existing Notes tendered and not previously validly withdrawn.

Additional Purchases of Existing Notes

After the Expiration Date, the Issuer or its affiliates may from time to time purchase additional Existing Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or the Issuer may redeem Existing Notes pursuant to the terms of the Existing Notes Indenture governing the Existing Notes. Any future purchases may be on the same terms or on terms that are more or less favorable to Eligible Holders than

the terms of the Offer and Solicitation and, in either case, could be for cash or other consideration. Any future purchases will depend on various factors existing at that time. Any purchase or offer to purchase will not be made except in accordance with applicable law. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we may choose to pursue in the future.

Absence of Appraisal and Dissenters' Rights

Holders of the Existing Notes do not have any appraisal or dissenters' rights in connection with the Offer and Solicitation.

Procedures for Tendering

The following summarizes the procedures to be followed by all Eligible Holders in tendering their Existing Notes. The tender of Existing Notes by an Eligible Holder pursuant to the procedures set forth herein will constitute an agreement between such Eligible Holder and us in accordance with the terms and subject to the conditions set forth herein and in the other Offer and Solicitation Documents. The Existing Notes exchanged in the Offer and Solicitation will be cancelled.

See "—Acknowledgments, Representations, Warranties and Undertakings" and "Transfer Restrictions" for discussions of the items that all Eligible Holders who tender Existing Notes in the Offer and Solicitation will be deemed to have represented, warranted and agreed.

Eligible Holders of Existing Notes may not tender Existing Notes without delivering the related Consents, and Eligible Holders of Existing Notes may not deliver Consents without tendering the related Existing Notes.

Procedures for Tendering Existing Notes

All of the Existing Notes are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Eligible Holders are authorized to tender their Existing Notes pursuant to the Offer and Solicitation. To tender Existing Notes that are held through a broker, dealer, commercial bank, trust company or other nominee, a beneficial owner thereof must instruct such nominee to tender the Existing Notes on such beneficial owner's behalf according to the procedure described below.

For an Eligible Holder to tender Existing Notes validly pursuant to the Offer and Solicitation, (1) an Agent's Message must be received by the Information and Exchange Agent, and (2) tendered Existing Notes must be transferred pursuant to the procedures for book-entry transfer described below and a confirmation of such book-entry transfer must be received by the Information and Exchange Agent at or prior to the Early Participation Date or the Expiration Date, as applicable. The receipt of an Agent's Message will result in the blocking of the Existing Notes in the relevant clearing system upon receipt.

To effectively tender Existing Notes, DTC participants should transmit their acceptance through the DTC ATOP, for which the Offer and Solicitation will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Information and Exchange Agent for its acceptance. Delivery of tendered Existing Notes must be made to the Information and Exchange Agent pursuant to the book-entry delivery procedures set forth below.

Existing Notes may be tendered and will be accepted for payment only in principal amounts equal to the minimum denomination of US$1,000 and integral multiples of US$1.00 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Eligible Holders who do not tender all of their Existing Notes must retain Existing Notes at least equal to the minimum denomination of US$1,000.

The New Notes will be issued in a minimum denomination of US$1,000 and integral multiples of US$1.00 in excess thereof. If, under the terms of the Offer, any tendering Eligible Holder is entitled to receive New Notes in a principal amount that is not a permitted denomination, the principal amount of the New Notes will be rounded down

to the nearest permitted denomination and no cash will be paid for fractional New Notes not received as a result of such rounding down. If, however, such Eligible Holder would be entitled to receive less than US$1,000 principal amount of New Notes, the Eligible Holder's tender will be rejected in full and the Existing Notes subject to this tender will be returned to the Eligible Holder.

The Information and Exchange Agent will establish an account with respect to the Existing Notes at DTC for purposes of the Offer and Solicitation, and any financial institution that is a participant in DTC may make book-entry delivery of the Existing Notes by causing DTC to transfer such Existing Notes into the Information and Exchange Agent's account in accordance with DTC's procedures for such transfer. DTC will then send an Agent's Message to the Information and Exchange Agent. The confirmation of a book-entry transfer into the Information and Exchange Agent's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." Delivery of documents to DTC does not constitute delivery to the Information and Exchange Agent.

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Information and Exchange Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message, stating the aggregate principal amount of Existing Notes that have been tendered by such participant pursuant to the Offer and Solicitation, that such participant has received this Exchange Offer and Consent Solicitation Memorandum and that such participant agrees to be bound by and makes the representations and warranties contained in the terms of the Offer and Solicitation and that the Issuer may enforce such agreement against such participant.

An Eligible Holder of Existing Notes, by submitting an Agent's Message will be deemed to acknowledge, represent, warrant and undertake to us the respective acknowledgments, representations, warranties and undertakings as applicable to tenders of Existing Notes as set forth in "—Acknowledgments, Representations, Warranties and Undertakings."

Additionally, by tendering Existing Notes pursuant to the Offer and Solicitation, an Eligible Holder will have represented, warranted and agreed that such Eligible Holder is the beneficial owner of, or a duly authorized representative of one or more such beneficial owners of, and has full power and authority to tender, sell, assign and transfer, the Existing Notes tendered thereby and that when such Existing Notes are accepted for exchange and the New Notes are issued by us, we will acquire good, indefeasible, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and that such Eligible Holder will cause such Existing Notes to be delivered in accordance with the terms of the Offer and Solicitation. The Eligible Holder by tendering Existing Notes will also have agreed to (a) not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Notes tendered from the date of such tender and that any such purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect and (b) execute and deliver such further documents and give such further assurances as may be required in connection with the Offer and Solicitation and the transactions contemplated thereby, in each case on and subject to the terms and conditions of the Offer and Solicitation. In addition, by tendering Existing Notes an Eligible Holder will also have released us and our affiliates from any and all claims that Eligible Holders may have arising out of or relating to the Existing Notes.

Eligible Holders desiring to tender Existing Notes pursuant to ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC. Except as otherwise provided herein, delivery of Existing Notes will be made only when the Agent's Message is actually received by the Information and Exchange Agent. No documents should be sent to us or the Dealer Managers and Solicitation Agents. If you are tendering through a nominee, you should check to see whether there is an earlier deadline for instructions with respect to your decision.

Eligible Holders that hold Existing Notes through Euroclear S.A./N.V. ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream") must also comply with the applicable procedures of Euroclear or Clearstream, as applicable, in connection with a tender of Existing Notes, including arranging for a direct participant in Euroclear or Clearstream to submit their tenders by delivering a valid electronic instruction, to Euroclear or Clearstream, as applicable, in accordance with the procedures and deadlines specified by Euroclear or Clearstream, as applicable, at or prior to the relevant times and dates set forth under the terms of the Offer and Solicitation. Each of Euroclear and Clearstream is an indirect DTC participant. To participate in the Offer and Solicitation after 5:00 p.m.,

New York City time, on February 11, 2025 through the Expiration Date, Eligible Holders must email the Information and Exchange Agent directly at avianca@dfking.com.

Acknowledgments, Representations, Warranties and Undertakings

Subject to, and effective upon, the acceptance of, and the issuance of the New Notes in exchange for, the principal amount of Existing Notes tendered in accordance with the terms and subject to the conditions of the Offer and Solicitation, a tendering Eligible Holder, by submitting or sending an Agent's Message to the Information and Exchange Agent in connection with the tender of Existing Notes, will have:

- ..... irrevocably agreed to sell, assign and transfer to or upon order of the Issuer or the order of its nominee all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the holder's status as a holder of, all Existing Notes tendered thereby, such that thereafter the holder shall have no contractual or other rights or claims in law or equity against the Issuer, the Existing Notes Guarantors, the Existing Notes Trustee and the Existing Notes Collateral Trustee under the Existing Notes Indenture arising under, from or in connection with such Existing Notes;

- ..... released and waived any and all claims and rights with respect to the Existing Notes tendered (including, without limitation, any existing or past defaults and their consequences in respect of such Existing Notes);

- ..... released and discharged the Issuer, the Existing Notes Guarantors and their affiliates, the Dealer Managers and Solicitation Agents, the Existing Notes Trustee, the Existing Notes Collateral Trustee, the New Notes Trustee and the Collateral Trustees from any and all claims the tendering Eligible Holder may have, now or in the future, arising out of or related to the Existing Notes tendered, including, without limitation, any claims that the tendering Eligible Holder is entitled to receive additional principal or interest payments with respect to the Existing Notes tendered (other than as expressly provided in this Exchange Offer and Consent Solicitation Memorandum) or to participate in any repurchase, redemption or defeasance of the Existing Notes tendered, as applicable;

- ..... irrevocably constituted and appointed the Information and Exchange Agent as the true and lawful agent and attorney-in-fact of such tendering Eligible Holder (with full knowledge that the Information and Exchange Agent also acts as the agent of the Issuer) with respect to any tendered Existing Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (i) deliver such Existing Notes or transfer ownership of such Existing Notes on the account books maintained by DTC together with all accompanying evidences of transfer and authenticity, to or upon our order, (ii) present such Existing Notes for transfer on the register, and (iii) receive all benefits or otherwise exercise all rights of beneficial ownership of such Existing Notes, including receipt of New Notes issued by the Issuer in exchange therefor and the balance of the Exchange Consideration for any Existing Notes tendered pursuant to the Exchange Offer with respect to the Existing Notes that are accepted for exchange by the Issuer and transfer such New Notes and such funds to the Eligible Holder, all in accordance with the terms of the Offer and Solicitation; and

- ..... represented, warranted and agreed that:

(a). it has received this Exchange Offer and Consent Solicitation Memorandum;

(b). it is the beneficial owner of, or a duly authorized representative of one or more beneficial owners of, the Existing Notes tendered hereby, and it has full power and authority to tender the Existing Notes;

(c). the Existing Notes being tendered were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and the Issuer will acquire good, indefeasible and unencumbered title to those Existing Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when the Issuer accepts the same;

(d). it will not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Notes tendered hereby from the date of the tender until the Settlement Date, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;

(e). it is making all representations contained in the Eligibility Letter and it is (1) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act; or a (2) a person outside the United States who is (i) not a "U.S. person" (as defined in Rule 902 under the Securities Act), and (ii) not acting for the account or benefit of a U.S. person, and is tendering Existing Notes for its own account or for a discretionary account or accounts on behalf of one or more persons who are Eligible Holders as to which it has been instructed and has the authority to make the statements contained in this Exchange Offer and Consent Solicitation Memorandum;

(f) . it is otherwise a person to whom it is lawful to make available this Exchange Offer and Consent Solicitation Memorandum or to make the Offer and Solicitation in accordance with applicable laws (including the transfer restrictions set out in this Exchange Offer and Consent Solicitation Memorandum);

(g). it has had access to such financial and other information and has been afforded the opportunity to ask such questions of representatives of the Issuer and receive answers thereto, as it deems necessary in connection with its decision to participate in the Offer and Solicitation;

(h). it acknowledges that the Issuer, the Dealer Managers and Solicitation Agents, the Existing Notes Trustee, the Existing Notes Collateral Trustee, the New Notes Trustee and the Collateral Trustees and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and warranties made by its submission of a tender in accordance with the procedures set forth herein, are, at any time prior to the consummation of the Offer and Solicitation, no longer accurate, it shall promptly notify the Issuer and the Dealer Managers and Solicitation Agents. If it is tendering the Existing Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;

(i) . in evaluating the Offer and Solicitation and in making its decision whether to participate in the Offer and Solicitation by the tender of Existing Notes, the Eligible Holder has made its own independent appraisal of the matters referred to in this Exchange Offer and Consent Solicitation Memorandum and in any related communications;

(j) . the tender of Existing Notes shall constitute an undertaking to execute and deliver any further documents as may be required in connection with the Offer and Solicitation and the transactions contemplated thereby, and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Exchange Offer and Consent Solicitation Memorandum;

(k). it and the person receiving New Notes have observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from any of them in each respect in connection with any offer or acceptance in any jurisdiction, and that it and such person or persons have not taken or omitted to take any action in breach of the terms of the Offer and Solicitation or which will or may result in the Issuer or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer and Solicitation or the tender of Existing Notes in connection therewith; and

(l) . neither it nor the person receiving New Notes is acting on behalf of any person who could not truthfully make the foregoing representations, warranties and undertakings or those set forth in the Agent's Message;

(m) by delivering an instruction with respect to its Existing Notes through Euroclear or Clearstream, it consents to the disclosure by Euroclear or Clearstream of certain details concerning its identity, the aggregate principal amount of such Existing Notes and the account details to the Information and Exchange Agent, if required;

(n). it is not a person or entity that is: (i) identified, listed or referred to on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Consolidated List of Persons, Groups and Entities subject to Financial Sanctions maintained by the European Commission, the Consolidated List of Financial Sanctions Targets in the UK maintained by HM Treasury, or any other public list of persons targeted by sanctions maintained by, or public announcement of a sanctions designation made by the United States, the United Nations, the European Union (including each of its member states), the United Kingdom, any other relevant sanctions authority and any government, public or regulatory authority or body of the aforementioned (each a "Sanctions Authority") (in all cases as supplemented, amended or substituted from time to time) (each a "Sanctions List"); (ii) organized, resident, domiciled or located in a country or territory subject to comprehensive country- or territory-wide economic, financial or trade sanctions- and/or export control-related laws, regulations, embargoes, rules and/or restrictive measures administered, enacted or enforced by any Sanctions Authority from time to time (together "Sanctions"); (iii) owned or controlled by, or otherwise acting on behalf or at the direction of, a person or persons who are referred to in (i) or (ii); or (iv) otherwise the subject of, or in violation of, any Sanctions, each such person being a "Sanctions Restricted Person;"

(o). it consents to and authorizes and directs the Existing Notes Trustee to enter into the Majority Amendments, and the Existing Notes Trustee and the Existing Notes Collateral Trustee to execute any document that may be necessary to release the liens securing the Existing Notes on the Released Assets in order to give effect to the Proposed Majority Amendments described in "Proposed Amendments;"

(p). it consents to and authorizes and directs (i) the Existing Notes Trustee and the Existing Notes Collateral Trustee to enter into the 90% Amendments in order to give effect to the Proposed 90% Amendments and (ii) the release and discharge of all of the Existing Notes Guarantees and the release of all of the Existing Notes Collateral, and directs the Existing Notes Trustee and the Existing Notes Collateral Trustee to execute any other document that may be necessary to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral to give effect to the Proposed 90% Amendments described in "Proposed Amendments."

By tendering Existing Notes pursuant to the Offer and Solicitation, an Eligible Holder will have agreed that the delivery and surrender of the Existing Notes is not effective, and the risk of loss of the Existing Notes does not pass to the Information and Exchange Agent, until receipt by the Information and Exchange Agent of a properly transmitted Agent's Message. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Existing Notes will be determined by us, in our sole discretion, which determination shall be final and binding.

Notwithstanding any other provision of this Exchange Offer and Consent Solicitation Memorandum, payment of the Exchange Consideration, and Accrued Interest, if any, with respect to the Existing Notes, in exchange for any Existing Notes tendered for exchange and accepted by us pursuant to the Offer and Solicitation will occur only after timely receipt by the Information and Exchange Agent of a Book-Entry Confirmation, with respect to such Existing Notes, together with an Agent's Message and any other required documents and any other required documentation. The tender of Existing Notes pursuant to the Offer and Solicitation by the procedures set forth above will constitute an agreement between the tendering Eligible Holder and us in accordance with the terms and subject to the conditions of the Offer and Solicitation. The method of delivery of Existing Notes, the Agent's Message and all other required documents is at the election and risk of the tendering Eligible Holder. In all cases, sufficient time should be allowed to ensure timely delivery.

Alternative, conditional or contingent tenders will not be considered valid. We reserve the right to reject any or all tenders of Existing Notes that are not in proper form or the acceptance of which would, in our opinion, be

unlawful. We also reserve the right, subject to applicable law, to waive any defects, irregularities or conditions of tender as to particular Existing Notes, including any delay in the submission thereof or any instruction with respect thereto. A waiver of any defect or irregularity with respect to the tender of one Existing Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Existing Note. Our interpretations of the terms and conditions of the Offer and Solicitation will be final and binding on all parties. Any defect or irregularity in connection with tenders of Existing Notes must be cured within such time as we determine, unless waived by us. Tenders of Existing Notes shall not be deemed to have been made until all defects and irregularities related thereto have been waived by us or cured. None of the Issuer, the Existing Notes Trustee, the Existing Notes Collateral Trustee, the New Notes Trustee, the Collateral Trustees, the Dealer Managers and Solicitation Agents, the Information and Exchange Agent, or any other person will be under any duty to give notice of any defects or irregularities in tenders of Existing Notes or will incur any liability to Eligible Holders for failure to give any such notice.

Acceptance of Existing Notes for Exchange; Issuance of New Notes

Assuming the Minimum Exchange Condition, the Financing Condition and such other conditions to the Offer and Solicitation are satisfied or waived (to the extent permitted), the Issuer will issue the New Notes in book-entry form on the Settlement Date in exchange for Existing Notes that are validly tendered and accepted in the Offer and Solicitation.

We reserve the right, in our sole discretion, but subject to applicable law, to (a) delay acceptance of Existing Notes tendered under any Offer and Solicitation or the issuance of New Notes in exchange for validly tendered Existing Notes (subject to Rule 14e-l under the Exchange Act, which requires that we pay the consideration offered or return Existing Notes deposited by or on behalf of the Eligible Holders promptly after the termination or withdrawal of the Offer and Solicitation) or (b) terminate any Offer and Solicitation at any time at or prior to the Expiration Date if the conditions thereto are not satisfied or waived by us.

For purposes of the Offer and Solicitation, we will have accepted for exchange validly tendered Existing Notes (or defectively tendered Existing Notes with respect to which we have waived such defect) if, as and when we give oral (promptly confirmed in writing) or written notice thereof to the Information and Exchange Agent. Subject to the terms and conditions of the Offer and Solicitation, delivery of the New Notes will be made by the Information and Exchange Agent on the Settlement Date upon receipt of such notice. The Information and Exchange Agent will act as agent for participating Eligible Holders of the Existing Notes for the purpose of receiving Existing Notes from, and transmitting New Notes to, such Eligible Holders.

If, for any reason, acceptance for exchange of tendered Existing Notes, or issuance of New Notes in exchange for validly tendered Existing Notes, pursuant to the Offer and Solicitation is delayed, or we are unable to accept tendered Existing Notes for exchange or to issue New Notes in exchange for validly tendered Existing Notes pursuant to the Offer and Solicitation, then the Information and Exchange Agent may, nevertheless, on our behalf, retain the tendered Existing Notes, without prejudice to our rights described under "—Expiration Date; Extensions," "—Conditions to the Offer and Solicitation" and "—Withdrawal of Tenders," but subject to Rule 14e-l under the Exchange Act, which requires that we pay the consideration offered or return the Existing Notes tendered promptly after the termination or withdrawal of the Offer and Solicitation.

If any tendered Existing Notes are not accepted for exchange for any reason pursuant to the terms and conditions of the Offer and Solicitation, Existing Notes will be credited to an account maintained at DTC from which such Existing Notes were delivered following the Expiration Date or the termination of the Offer and Solicitation.

Holders of Existing Notes tendered for exchange and accepted by us pursuant to the Offer and Solicitation will be entitled to accrued and unpaid interest on their Existing Notes to, but excluding, the Settlement Date, which interest shall be payable on the Settlement Date. Under no circumstances will any additional interest be payable because of any delay by the Information and Exchange Agent or DTC in the transmission of funds to Eligible Holders of accepted Existing Notes or otherwise.

Tendering Eligible Holders with respect to Existing Notes accepted by us in the Offer and Solicitation will not be obligated to pay brokerage commissions or fees to us, the Dealer Managers and Solicitation Agents, the

Information and Exchange Agent or, except as set forth below, to pay transfer taxes with respect to the exchange of their Existing Notes.

Withdrawal of Tenders and Revocation of Consents

Existing Notes tendered in the Exchange Offer may be validly withdrawn and Consents delivered in the Consent Solicitation may be validly revoked at any time at or prior to the Withdrawal and Revocation of Consents Date. Existing Notes tendered and Consents delivered after the Withdrawal and Revocation of Consents Date may not be withdrawn or revoked, as applicable, except in limited circumstances. After the Withdrawal and Revocation of Consents Date tendered Existing Notes and delivered Consents may not be validly withdrawn or revoked, as applicable, unless we amend or otherwise change the Offer and Solicitation in a manner material to tendering Eligible Holders or are otherwise required by law to permit withdrawal (as determined by us in our reasonable discretion). The minimum period during which the Offer and Solicitation will remain open following changes in the terms of the Offer and Solicitation or in the information concerning the Offer and Solicitation will depend upon the facts and circumstances of such changes, including the relative materiality of the changes. With respect to a change in consideration, any affected Offer and Solicitation will remain open for a minimum 10 business day period. If the terms of the Offer and Solicitation are amended in a manner determined by the Issuer to constitute a material change, the Issuer will promptly disclose any such amendment in a manner reasonably calculated to inform Eligible Holders of such amendment, and the Issuer may extend the Offer and Solicitation following the date that notice of such change is first published or sent to Eligible Holders to allow for adequate dissemination of such change in its reasonable judgement and subject to applicable law. If the Offer and Solicitation is terminated, Existing Notes tendered pursuant to the Offer and Solicitation will be returned promptly to the tendering Eligible Holders.

Tenders of Existing Notes may not be withdrawn without revoking the related Consents, and deliveries of Consents may not be revoked without withdrawing the tender of related Existing Notes.

For a withdrawal of a tender of Existing Notes to be effective, a withdrawal instruction must be timely received by the Information and Exchange Agent at or prior to the Withdrawal and Revocation of Consents Date by a properly transmitted "Request Message" through ATOP. Any such instruction of withdrawal must:

1.. specify the name of the DTC participant whose name appears on the security position as the owner of such Existing Notes;

2.. contain the description of the Existing Notes to be withdrawn (including the principal amount of the Existing Notes to be withdrawn); and

If the Existing Notes to be withdrawn have been delivered or otherwise identified to the Information and Exchange Agent, a signed notice of withdrawal will be effective immediately upon the Information and Exchange Agent's receipt of written or facsimile notice of withdrawal. An "Eligible Institution" is one of the following firms or other entities identified in Rule 17Ad-15 under the Exchange Act (as the terms are defined in such Rule 17Ad-15):

- a bank;
- a broker, dealer, municipal securities dealer, municipal securities broker, government securities dealer or government securities broker;
- a credit union;
- a national securities exchange, registered securities association or clearing agency; or
- a savings institution that is a participant in a Securities Transfer Association recognized program.

Withdrawal of tenders of Existing Notes may not be rescinded, and any Existing Note properly withdrawn will thereafter not be validly tendered for purposes of the Offer and Solicitation. Withdrawal of Existing Notes may only be accomplished in accordance with the foregoing procedures. Existing Notes validly withdrawn may thereafter be retendered at any time on or before the Expiration Date by following the procedures described under "—Procedures for Tendering."

We will determine all questions as to the form and validity (including time of receipt) of any withdrawal instruction, in our sole discretion, which determination shall be final and binding. None of us, the Existing Notes Trustee, the Existing Notes Collateral Trustee, the New Notes Trustee, the Collateral Trustees, the Dealer Managers and Solicitation Agents, the Information and Exchange Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

If we are delayed in our acceptance for exchange of, or issuance of New Notes in exchange for, any Existing Notes or if we are unable to accept for exchange any Existing Notes or issue New Notes in exchange therefor pursuant to the Offer and Solicitation for any reason, then, without prejudice to our rights hereunder, but subject to applicable law, tendered Existing Notes may be retained by the Information and Exchange Agent on our behalf and may not be validly withdrawn (subject to Rule 14e-l under the Exchange Act, which requires that we issue or pay the consideration offered or return the Existing Notes deposited by or on behalf of the Eligible Holders promptly after the termination or withdrawal of the Offer and Solicitation).

Compliance with "Short Tendering" Rule

It is a violation of Rule 14e-4 (promulgated under the Exchange Act) for a person, directly or indirectly, to tender Existing Notes for his or her own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount at maturity, of such Existing Notes being tendered and (b) will cause such Existing Notes to be delivered in accordance with the terms of such Exchange Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Existing Notes in the Offer and Solicitation under any of the procedures described above will constitute a binding agreement between the tendering holder and us upon the terms and subject to the conditions of the Offer and Solicitation, including the tendering holder's acceptance of the terms and conditions of the Offer and Solicitation, as well as the tendering holder's representation and warranty that (a) such holder has a net long position in such Existing Notes being tendered pursuant to the Offer and Solicitation within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Existing Notes complies with Rule 14e-4.

Transfer Taxes

We will pay all stamp, stamp duty reserve tax, documentary, issue, registration or other similar transfer taxes ("transfer taxes"), if any, applicable to the transfer and exchange of Existing Notes to us in the Offer and Solicitation. If transfer taxes are imposed for any reason other than the transfer and tender to us, the amount of those transfer taxes, whether imposed on the registered holders or any other persons, will be payable by the tendering Eligible Holder. Transfer taxes that will not be paid by us include taxes, if any, imposed because New Notes in book-entry form are to be registered in the name of any person other than the person on whose behalf an Agent's Message was sent. In those cases, the Eligible Holder will be responsible for the payment of any applicable transfer taxes.

If satisfactory evidence of payment of or exemption from transfer taxes that are not required to be borne by us is not submitted with the Agent's Message, the amount of those transfer taxes will be billed directly to the tendering Eligible Holder and/or withheld from any payments due with respect to the Existing Notes tendered by such Eligible Holder.

Additional Amounts

The Issuer understands that payments made by it pursuant to the Offer and Solicitation to holders of Existing Notes are not subject to withholding or deduction by the Issuer for or on account of taxes unless required by law. In the event that the Issuer is required or compelled by law or by the interpretation made by any competent or judicial authority to deduct or withhold a portion of any amount payable to holders of the Existing Notes pursuant to the Offer and Solicitation for or on account of tax imposed by the United Kingdom (or certain other relevant taxing jurisdictions), the Issuer agrees, subject to certain exceptions, to pay such additional amounts as may be necessary to ensure that the amounts received by any such holder of Existing Notes after such withholding or deduction (including any withholding or deduction with respect to such additional amounts) shall equal the amount that such holder of

Existing Notes would have received in the absence of such withholding or deduction. The payment of any additional amounts in respect of the Early Exchange Consideration is subject to the same exclusions as set forth in Section 4.05 of the form of New Notes Indenture attached hereto as Exhibit A (substituting "Existing Notes" for any references to "New Notes").

Certain Consequences to Holders of Existing Notes Not Tendering in the Offer and Solicitation

Any of the Existing Notes that are not tendered to us at or prior to the Expiration Date or are not accepted for exchange will remain outstanding, will mature on their respective maturity dates and will continue to accrue interest in accordance with the Existing Notes Indenture.

If the Proposed Amendments become operative, all holders of the Existing Notes will be bound by the Proposed Amendments to the Existing Notes Indenture, whether or not such holder delivered a Consent. The Proposed Amendments, if adopted, would result in, among other things, the permanent elimination of substantially all of the restrictive covenants and certain events of default and related provisions in the Existing Notes Indenture and, in the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, the Proposed 90% Amendments will release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral. See "Risk Factors—Risks Related to the Offer and Solicitation—If the Proposed Amendments sought in the Consent Solicitation become operative, all Existing Notes will be subject to the terms of, and bound by, such Proposed Amendments, and holders of Existing Notes will no longer benefit from certain of the protections provided by the Existing Notes Indenture and will no longer be secured by the Existing Notes Collateral."

The trading markets for Existing Notes that are not exchanged could become more limited than the existing trading markets for the Existing Notes. More limited trading markets might adversely affect the liquidity, market prices and price volatility of the Existing Notes. If markets for Existing Notes that are not exchanged exist or develop, the Existing Notes may trade at a discount to the prices at which they would trade if the principal amount outstanding had not been reduced. See "Risk Factors—Risks Related to the Offer and Solicitation—The Offer and Solicitation may result in reduced liquidity for any Existing Notes that are not exchanged."

Information and Exchange Agent

D.F. King & Co., Inc. has been appointed the Information and Exchange Agent for the Offer and Solicitation. We will pay the Information and Exchange Agent reasonable and customary fees for its services and will reimburse it for its out-of-pocket expenses in connection therewith. All correspondence in connection with the Offer and Solicitation should be sent or delivered by each Eligible Holder of Existing Notes, or a beneficial owner's custodian bank, depositary, broker, trust bank or other nominee, to the Information and Exchange Agent at its address and telephone number set forth on the back cover page of this Exchange Offer and Consent Solicitation Memorandum. Additionally, questions concerning tender procedures should be directed to the Information and Exchange Agent at its email address and telephone numbers set forth on the back cover page of this Exchange Offer and Consent Solicitation Memorandum. Holders of Existing Notes may also contact their custodian bank, depositary, broker, trust bank or other nominee for assistance concerning the Offer and Solicitation. Copies of this Exchange Offer and Consent Solicitation Memorandum can be obtained via the Exchange Offer Website. Holders of Existing Notes may also contact their custodian bank, depositary, broker, trust bank or other nominee for assistance concerning the Offer and Solicitation.

Dealer Managers and Solicitation Agents

We have retained Deutsche Bank Securities Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Credit Agricole Securities (USA) Inc., Goldman Sachs & Co. LLC, Barclays Capital Inc., and Morgan Stanley & Co. LLC, as Dealer Managers and Solicitation Agents in connection with the Offer and Solicitation. We will pay the Dealer Managers and Solicitation Agents a reasonable and customary fee for soliciting tenders in the Exchange Offer and Consent Solicitation. We will also reimburse the Dealer Managers and Solicitation Agents for their reasonable out-of-pocket expenses. The obligations of the Dealer Managers and Solicitation Agents to perform such function are subject to certain conditions. We have agreed to indemnify the Dealer Managers and Solicitation Agents against certain liabilities, including liabilities under the federal securities laws, in connection with their services. Questions

regarding the terms of the Exchange Offer and Consent Solicitation may be directed to the Dealer Managers and Solicitation Agents at their addresses and telephone numbers set forth on the back cover page of this Exchange Offer and Consent Solicitation Memorandum.

At any given time, the Dealer Managers and Solicitation Agents may trade Existing Notes or other of our securities for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Existing Notes. To the extent the Dealer Managers and Solicitation Agents or their affiliates hold Existing Notes during the Offer and Solicitation, they or their respective affiliates may tender such Existing Notes under the Offer and Solicitation. Additionally, Deutsche Bank Securities Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC Credit Agricole Securities (USA) Inc., Goldman Sachs & Co. LLC, Barclays Capital Inc., and Morgan Stanley & Co. LLC, are also acting as initial purchasers with respect to the Concurrent Offering, for which they may receive customary fees. In addition, certain of the Dealer Managers and Solicitation Agents or their affiliates are holders of a portion of the Tranche A-2 Senior Secured Notes and the loans under the LifeMiles Credit Agreement and as a result, would receive a portion of the proceeds of the Concurrent Offering used to repay the Tranche A-2 Senior Secured Notes and the loans under the LifeMiles Credit Agreement.

From time to time in the ordinary course of business, the Dealer Managers and Solicitation Agents and their affiliates have provided, and may provide in the future, investment or commercial banking services to us and our affiliates in the ordinary course of business for customary compensation.

In addition, in the ordinary course of their business activities, the Dealer Managers and Solicitation Agents and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Dealer Managers and Solicitation Agents and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

If any of the Dealer Managers and Solicitation Agents or their affiliates has a lending relationship with us, certain of those Dealer Managers and Solicitation Agents or their affiliates routinely hedge, and certain other of those Dealer Managers and Solicitation Agents or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these Dealer Managers and Solicitation Agents and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the New Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the New Notes offered hereby.

Affiliates of the Dealer Managers and Solicitation Agents are lenders and arrangers under certain of our debt facilities, including our Revolving Credit Facility, and the Dealer Managers and Solicitation Agents or their affiliates have acted as managers in certain of our offerings. **None of the Issuer, the Dealer Managers and Solicitation Agents, the Existing Notes Trustee, the Existing Notes Collateral Trustee, the New Notes Trustee, the Collateral Trustees or the Information and Exchange Agent makes any recommendation as to whether or not Eligible Holders of Existing Notes should exchange their Existing Notes in the Offer and Solicitation.**

None of the Dealer Managers and Solicitation Agents or the Information and Exchange Agent assumes any responsibility for the accuracy or completeness of the information concerning us or our affiliates or the Existing Notes contained or referred to in this Exchange Offer and Consent Solicitation Memorandum or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

We will not make any payment to brokers, dealers or others soliciting acceptances of the Offer and Solicitation other than the Dealer Managers and Solicitation Agents, as described above.

Any questions or requests for assistance or for additional copies of the Offer and Solicitation Documents may be directed to the Information and Exchange Agent at one of the telephone numbers provided on the back cover of this Exchange Offer and Consent Solicitation Memorandum. Holders may also contact the Dealer Managers and

Solicitation Agents at the telephone numbers provided on the back cover of this Exchange Offer and Consent Solicitation Memorandum for assistance concerning the Offer and Solicitation.

Other Fees and Expenses

Tendering Eligible Holders will not be required to pay any fee or commission to the Dealer Managers and Solicitation Agents. However, if a tendering Eligible Holder handles the transaction through its broker, dealer, commercial bank, trust bank or other institution, such Eligible Holder may be required to pay brokerage fees or commissions.

PROPOSED AMENDMENTS

Simultaneously with the Exchange Offer, the Issuer is soliciting consents from Eligible Holders to effect the Proposed Majority Amendments and, in the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, the Proposed 90% Amendments.

The following summarizes the Proposed Amendments for which Consents are being sought pursuant to the Consent Solicitation. The summary of the provisions of the Existing Notes Indenture affected by the Proposed Amendments set forth below does not purport to be complete, and is qualified in its entirety by reference to the full and complete terms in the Existing Notes Indenture, copies of which are available upon request without charge from the Information and Exchange Agent or the Issuer. The Proposed Majority Amendments would eliminate substantially all of the restrictive covenants, amend certain events of default and related provisions contained in such Existing Notes Indenture and release the liens on certain assets constituting Existing Notes Collateral, and, in the event that we receive Consents that are not revoked from Eligible Holders of at least 90% of the outstanding principal amount of the Existing Notes, the Proposed 90% Amendments would release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral.

Pursuant to the Existing Notes Indenture, the adoption of the Proposed Majority Amendments requires the consent of holders of not less than a majority in principal amount of the Existing Notes then outstanding (the "Required Consents for the Proposed Majority Amendments"), and the adoption of the Proposed 90% Amendments requires the consent of holders of at least 90% in principal amount of the Existing Notes then outstanding (the "Required Consents for the Proposed 90% Amendments").

The Proposed Majority Amendments and the Proposed 90% Amendments constitute a single proposal, and holders of Existing Notes must consent to the Proposed Majority Amendments and the Proposed 90% Amendments in their entirety.

If we obtain the Required Consents for the Proposed Majority Amendments and subject to the satisfaction of the conditions to the Offer and Solicitation, the Issuer, the Existing Notes Guarantors and the Existing Notes Trustee will, on or prior to the Settlement Date, execute the Majority Amendments, which will become effective upon execution of such amendment but will not become operative until the Exchange Consideration is delivered on the Settlement Date. On or after the Settlement Date, the Issuer, the Existing Notes Trustee and the Existing Notes Collateral Trustee will execute any document that may be necessary to release the liens on the Released Assets.

If we obtain the Required Consents for the Proposed 90% Amendments and subject to the satisfaction of the conditions to the Offer and Solicitation, on or prior to the Settlement Date the Issuer, the Existing Notes Guarantors and the Existing Notes Trustee will execute the 90% Amendments, which will become effective upon execution of such amendment but will not become operative until the Exchange Consideration is delivered on the Settlement Date, and all of the Existing Notes Guarantees will be released and discharged and all of the Existing Notes Collateral will be released and the Issuer, the Existing Notes Trustee and the Existing Notes Collateral Trustee will execute any document that may be necessary to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral on or after the Settlement Date.

Holders of Existing Notes who do not validly deliver Consents will be bound by the applicable Majority Amendments and the 90% Amendments if the Required Consent for the Proposed Majority Amendments and the Required Consents for the Proposed 90% Amendments are obtained, respectively, and the Majority Amendments and 90% Amendments, as applicable, are executed. If we obtain the Required Consents for the Proposed Majority Amendments, but not the Required Consents for the Proposed 90% Amendments, we will enter into the Proposed Majority Amendments, and the Existing Notes Indenture will only be modified to reflect the Proposed Majority Amendments. If we do not obtain the Required Consents for the Proposed Majority Amendments, we will not enter into the Majority Amendments or the 90% Amendments, and the Existing Notes Indenture will remain unmodified.

If you are an Eligible Holder and do not tender your Existing Notes and we obtain the Required Consents for the Proposed Majority Amendments and execute the Majority Amendments, you will continue to hold your Existing Notes, but substantially all of the restrictive covenants, certain events of default and certain other related provisions of the Existing Notes will be eliminated or modified, and the liens on the Released Assets will be released.

In addition, if you are an Eligible Holder and do not tender your Existing Notes and we obtain the Required Consents for the Proposed 90% Amendments and execute the 90% Amendments, you will continue to hold your Existing Notes, but all of the Existing Notes Guarantees will be released and discharged and all of the Existing Notes Collateral will be released. See "Risk Factors—Risks Related to the Offer and Solicitation—The Offer and Solicitation may result in reduced liquidity for any Existing Notes that are not exchanged" and "Risk Factors—Risks Related to the Offer and Solicitation—If the Proposed Amendments sought in the Consent Solicitation become operative, all Existing Notes will be subject to the terms of, and bound by, such Proposed Amendments, and holders of Existing Notes will no longer benefit from certain of the protections provided by the Existing Notes Indenture and will no longer be secured by the Existing Notes Collateral."

Eligible Holders of Existing Notes may not tender Existing Notes without delivering the related Consents to the Proposed Majority Amendments and to the Proposed 90% Amendments, and Eligible Holders of Existing Notes may not deliver such Consents without tendering the related Existing Notes.

By consenting to the Proposed Majority Amendments and the Proposed 90% Amendments, you will be deemed to have waived any existing default, event of default or other consequence under the Existing Notes Indenture for failure to comply with the terms of the provisions identified below (but only to the extent your tendered Existing Notes are accepted for cancellation).

Proposed Majority Amendments

Amendments to Covenants. The Proposed Majority Amendments will, in substance, eliminate the following covenants contained in the Existing Notes Indenture by deleting each section referenced below in its entirety (except as otherwise indicated below):

- Section 4.06 Reporting Requirements
- Section 4.08 Limitations on Incurrence of Additional Indebtedness; Lease Payments
- Section 4.09 Limitation on Transactions with Affiliates
- Section 4.10 Repurchase of Existing Notes upon a Change of Control
- Section 4.11 After-Acquired Property
- Section 4.12 Future Guarantors
- Section 4.13 Post-Closing Obligations
- Section 4.14 Further Assurances; Control Agreements
- Section 4.15 No Impairment of the Security Interests
- Section 4.16 Maintenance of IP Pledge
- Section 4.17 Ratings
- Section 4.18 Liquidity
- Section 4.19 Limitations on Restricted Payments
- Section 4.20 Limitations on Designation of Unrestricted Subsidiaries: This section will be modified to state that AGIL may designate any Subsidiary of the Company as an "Unrestricted Subsidiary" under the Existing Notes Indenture at any time at its discretion and all conditions

thereto shall be eliminated. WAV Air Holdings S.L., Wamos Air, S.A. and their respective subsidiaries will be designated as Unrestricted Subsidiaries and Avianca Enterprises LLC will continue to be designated as an Unrestricted Subsidiary.

- Section 4.21 Limitation on Liens
- Section 4.22 Limitation on Asset Sales
- Section 4.23 Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries
- Section 4.24 Loyalty Programs
- Section 4.25 Limitation on Sale and Leaseback Transactions
- Section 4.26 Re-registration, Listing
- Section 5.01 Limitation on Consolidation, Merger, Spin-Off (*escisión*) or Transfer of Assets: This section will be modified to permit "Permitted Reorganizations," as such term is defined in the form of New Notes Indenture attached hereto as Exhibit A.
- Section 5.01(a)(1)Limitation on Consolidation, Merger, Spin-Off (*escisión*) or Transfer of Assets: The requirement that the resulting, surviving or transferee Person (if not the Issuer or the applicable Guarantor) will be a Person organized and existing under the laws of England and Wales, the United Kingdom, Colombia, the United States of America, any State thereof or the District of Columbia, the laws of the jurisdiction under which such Guarantor was organized or any other country whose long-term debt has a Minimum Rating as of the effective date of such transaction.
- Section 5.01(b)Limitation on Consolidation, Merger, Spin-Off (*escisión*) or Transfer of Assets: The requirement that (i) the resulting, surviving or transferee Person will be a Person organized and existing under the laws of England and Wales, and (ii) the Issuer could incur US$1.00 of additional Indebtedness pursuant to Section 4.08(a) of the Existing Notes Indenture, on a pro forma basis taking into account such transaction.
- Definition of Excluded Assets: This definition will be modified to align with the definition of Excluded Assets to be included in the New Notes Indenture. See "Description of the New Notes—Security for the New Notes—Certain limitations on the New Notes Collateral—Existing Excluded Assets."

Amendments to Events of Default. The Proposed Majority Amendments would eliminate the following Events of Default by deleting each clause referenced below in its entirety:

- Section 6.01(c)(The event of default relating to a failure to comply with covenants or agreements in the Existing Notes, the Existing Note Guarantees, the Existing Notes Indenture or the Existing Collateral Security Documents)
- Section 6.01(d) (The event of default relating to defaults under certain debt instruments)
- Section 6.01(e) (The event of default relating to non-payment of final judgments or decrees)

Amendment to Provisions for Acceleration. The Proposed Majority Amendments would amend Section 6.02 of the Existing Notes Indenture, which provides that holders of not less than 25% of the principal amount of the Existing Notes may accelerate the Existing Notes upon the occurrence of an Event of Default. Under the Proposed Majority Amendments, this requirement will increase to 50%.

Amendment to Release of Collateral: The Proposed Majority Amendments would amend Section 12.02(a)(2)(C) of the Existing Notes Indenture, which provides that the Liens securing the Existing Notes as to assets constituting Existing Notes Collateral may be released with respect to any aircraft that constitutes Existing Notes Collateral in connection with any financing (solely to the extent a security interest in such aircraft would be prohibited or restricted by the related financing documents) of such aircraft. Under the Proposed Majority Amendments such provision will apply to any aircraft, engine or spare part.

Release of Liens on Released Assets. The Proposed Majority Amendments would release the liens securing the Existing Notes with respect to the following assets (the "Released Assets"):

- The following aircraft:

AC Type	Registry	MSN	Status
A330-243	N968AV	1009	Inactive
A319-115	N741AV	6617	Active
A300-B4F (600)	XA-GGL	626	Inactive
A300C4-605RF	XA-LFR	755	Inactive
B767-200 ER	XA-LRC	23802	Inactive
B767-200 ER	XA-EFR	23804	Inactive

- The following spare engines, provided that no such spare engines shall constitute Released Assets to the extent their fair market value of the date hereof exceeds US$50,000,000:

Engine Type	ESN	Status
CFM56-5B4/3	569380	Active
TRENT 772	42180	Active
TRENT 772	42370	Active
TRENT 772	42371	Active
TRENT 772	42414	Active
TRENT 772	42415	Active
TRENT 1000-D2	10272	Active
TRENT 1000-D2	10273	Active

- Shares representing 22% of the capital stock of Wamos Air, S.A currently pledged to secure the Existing Notes.

The Proposed Majority Amendments will also delete those definitions from the Existing Notes Indenture that are used only in provisions that would be eliminated as a result of the elimination of the foregoing provisions. Any and all references in the Existing Notes Indenture to the deleted sections or provisions referred to above will also be deleted in their entirety. Any provision contained in the Existing Notes that relates to any provision of the Existing Notes Indenture, as amended, shall likewise be amended so that any such provision contained in the Existing Notes will conform to and be consistent with any provision of the applicable Existing Notes Indenture, as amended.

Proposed 90% Amendments

The Proposed 90% Amendments would release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral. The Proposed 90% Amendments would authorize the release and discharge of all of the Existing Notes Guarantees and the release of all of the Existing Notes Collateral, and direct each of the Existing Notes Trustee and the Existing Notes Collateral Trustee to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral and to execute documents necessary to release and discharge all of the Existing Notes Guarantees and release all of the Existing Notes Collateral.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, long-term debt, including current portion, total equity and total capitalization as of September 30, 2024, on an actual basis, and as adjusted to give effect to:

(i) the consummation of the Offer and Solicitation, including the cancellation of all outstanding Existing Notes (assuming all outstanding Existing Notes are tendered in the Exchange Offer prior to the Early Participation Date and holders thereof receive the Early Exchange Consideration) and the issuance of New Notes; and

(ii) the consummation of the Concurrent Offering yielding net cash proceeds sufficient to redeem in full the Tranche A-2 Senior Secured Notes and repay in full the loans under the LifeMiles Credit Agreement, and the use of proceeds therefrom to consummate the redemption in full of the Tranche A-2 Senior Secured Notes and the repayment in full of the loans under the LifeMiles Credit Agreement.

The adjustments are presented without giving effect to the deduction of fees and expenses incurred in connection with the Offer and the Solicitation. You should read this table in conjunction with "Summary—Summary Consolidated Financial and Operating Data," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes thereto included elsewhere in this Exchange Offer and Consent Solicitation Memorandum.

	As of September 30, 2024	
	Actual	As Adjusted[1]
	($ in thousands)	
Cash and cash equivalents[2]	$ 1,122,339	$ 1,122,339
Long-term debt, including current portion:		
Tranche A-1 Senior Secured Notes due 2028	$ 1,111,937	$ —
Tranche A-2 Senior Secured Notes due 2028	583,871	—
LifeMiles Term Loan B	377,500	—
Credit Card Securitization Facilities[3]	320,674	320,674
2022 Revolving Credit Facility[4]	100,000	100,000
Current portion of lease liability	279,587	279,587
Long-term lease liability	2,375,508	2,375,508
Accrued interests and other debt[5]	40,777	33,806
Notes offered pursuant to the Concurrent Offering	—	1,111,937
New Notes offered pursuant to the Offer and Solicitation	—	1,000,000
Total long-term debt, including current portion[6]	**5,189,854**	**5,221,512**
Total equity	**874,329**	**874,329**
Total capitalization	$ **6,064,183**	$ **6,095,841**

(1) As adjusted to reflect (i) the consummation of the Offer and Solicitation, including the cancellation of all outstanding Existing Notes (assuming all outstanding Existing Notes are tendered in the Offer and Solicitation prior to the Early Participation Date and holders thereof receive the Early Exchange Consideration); and the issuance of US$1,111,936,821 aggregate principal amount of New Notes; and (ii) the consummation of the Concurrent Offering in an aggregate principal amount of US$1,000,000,000, and the use of proceeds therefrom to consummate the redemption in full of the Tranche A-2 Senior Secured Notes and the repayment in full of the LifeMiles Credit Agreement. To the extent the net proceeds of the Concurrent Offering exceed the amounts necessary to redeem in full the Tranche A-2 Senior Secured Notes and repay in full the loans under the LifeMiles Credit Agreement, we intend to use the proceeds to repay other debt (including the repurchase of New Notes in the open market, through tender offers or otherwise) and/or for general corporate purposes.

(2) Includes cash and cash equivalents, short-term investments and deposits and other assets.

(3) Includes US$120.7 million total outstanding under our Taca Credit Card Securitization Facility and US$200.0 million total outstanding under the USAVFlow II Credit Card Securitization Facility, minus US$5.2 million in amortized cost, in each case as of September 30, 2024.

(4) As of September 30, 2024, our 2022 Revolving Credit Facility was fully drawn, with a total outstanding balance of $100.0 million. The 2022 Revolving Credit Facility was fully repaid and terminated on November 26, 2024 and replaced with our Revolving Credit Facility, with an initial aggregate principal amount of up to $200.0 million, which may be increased by an additional $100.0 million through an incremental facility. As of the date of this Exchange Offer and Consent Solicitation Memorandum, the Revolving Credit Facility remains undrawn. See "Description of Other Indebtedness—Revolving Credit Facility."

(5) Includes US$7.5 million of other debt and US$46.6 million of accrued interest (including US$15.1 million related to the Tranche A-2 Senior Secured Notes to be repaid), minus US$13.4 million of amortized cost (including US$8.1 million related to LifeMiles Term Loan B to be repaid), as of September 30, 2024.

(6) Does not reflect the €22 million drawdown under the Wamos Facility, which was disbursed on January 6, 2025.

Other than as described above, there has been no material change in our capitalization since September 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with "Presentation of Financial and Other Information" and our audited financial statements and condensed interim financial statements and the related notes thereto included elsewhere in this Exchange Offer and Consent Solicitation Memorandum. This discussion contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events may differ significantly from those expressed or implied in such forward-looking statements due to a number of factors, including those set forth in the section entitled "Risk Factors" and elsewhere in this Exchange Offer and Consent Solicitation Memorandum. You should read the following discussion in conjunction with "Forward-Looking Statements" and "Risk Factors."

Overview

We are a leading group of airlines providing passenger air travel, loyalty and cargo services in South America, Central America, North America and Europe. With our history dating back over 100 years, we believe we are the world's second-oldest air carrier currently in operation.

Throughout our history, we have grown our footprint through the acquisition of airlines in various countries, allowing us to provide broad geographic coverage and connectivity in a region that does not have unified air transport regulation. Today, the *avianca* brand comprises passenger airlines formerly known as TACA (in El Salvador), Lacsa (in Costa Rica), Aviateca (in Guatemala), and Aerogal (in Ecuador), as well as the cargo carrier formerly known as Tampa (in Colombia) and the cargo carrier Aerounion in Mexico, which still operates as Aerounion (in which we hold the majority of the economic interests).

Together, these operations make Avianca the leading airline in Colombia and Central America, operating over 700 daily scheduled flights to 76 destinations in South America, Central America, North America and Europe across 152 routes as of September 30, 2024 (up from 124 and 147 as of year-end 2019 and 2023, respectively) and providing access to over 195 countries through our Star Alliance partners. In Colombia, we are the leader in passenger air travel, with an overall 54% seat share and an even higher seat share of 59% at BOG in Bogotá, the airport with the second-highest passenger count in South and Central America and recognized by OAG as the most connected airport in Latin America, in each case during the twelve months ended September 30, 2024. We transported over 37 million Total Passengers and generated close to 62 billion ASKs during the twelve months ended September 30, 2024, and we believe our Core Markets, which enjoy a convenient tropical location, have a fast growing population, increasing GDP per capita, and are significantly underpenetrated, offer important growth opportunities that we are well-positioned to capture with our domestic, regional, and international flights, including long-haul wide-body service.

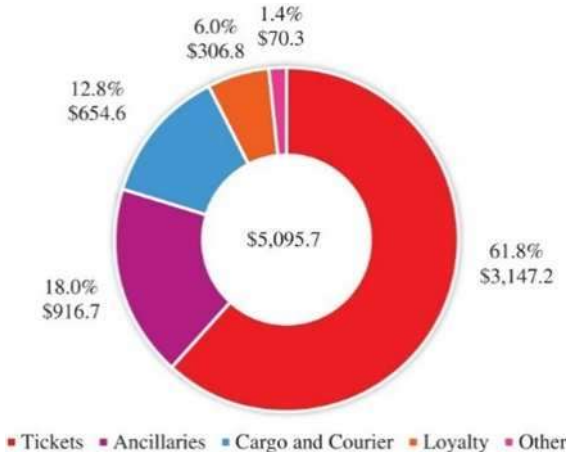
Our cost-efficient business model features the fundamental elements of an LCC with key enhancements to also appeal to premium customers, including business class service on selected routes. Our business model allows us to carefully tailor our offering, enabling us to grow our diverse passenger base, drive sales, expand margin, achieve profitability and generate strong cash flow, while ensuring that we remain a low-cost provider of air transport services and thus reduce our commercial risk. We operate a core passenger business, with an Operating Fleet, as of September 30, 2024, of 146 passenger aircraft that features a narrow-body Operating Fleet of 132 A320 Family aircraft, which we use across all of our routes in the Americas, and a wide-body Operating Fleet of 14 Boeing 787 aircraft (with 13 full-flat and one lie-flat business class seating), which we use principally across 11 long-haul international routes.

We also operate complementary businesses that provide further scale and enhance our overall profitability: LifeMiles, our award-winning loyalty program, is one of the largest in Colombia and Central America, with 14.0 million members, over 300 commercial partners, and 532,000 active co-branded credit cards as of September 30, 2024; and our cargo operation, which is the largest in Colombia and second largest in Latin America, deploys an Operating Fleet of seven freighters (as of September 30, 2024) and synergistically utilizes belly capacity in our passenger aircraft.

In October 2024, we acquired a majority of the economic rights of Wamos Air, a leading Spain-based airline that offers charter and ACMI services with a fleet of 13 A330 aircraft. The Issuer indirectly holds 49.97% of the voting rights and 99% of the economic rights of Wamos Air. As a result, we do not control Wamos Air, which continues to

operate independently, subject to a shareholders' agreement that includes certain minority investor protections for the Avianca Group. These protections include the right to appoint two of the company's three directors, one of which shall be independent. The Issuer also retains consent rights over key actions including, but not limited to, (i) changes to the company's organizational documents, corporate form and board composition, (ii) any merger, spin-off, or similar transaction, (iii) changes to the company's securities, including, but not limited to, new issuances of shares and/or bonds, sale of treasury shares or the creation or elimination of securities, (iv) acquiring or investing in any other airline, (v) transactions involving the company's shareholders, and entering into contracts that restrict shareholders' ability to transfer their shares, (vi) the distribution of dividends, and (vii) dissolution of the company. Wamos Air complements our strategic network by providing optionality to expand Avianca's existing global footprint, which we expect to utilize to further facilitate European connectivity. It also diversifies our revenue base with a profitable ACMI platform that generated €216.6 million in revenue and served over three million passengers across 87 countries, in each case in 2023.

In aggregate, our businesses (not including Wamos Air) generated $5.1 billion in total operating revenue in the twelve months ended September 30, 2024, as follows (dollars in millions):



Basis of Presentation

This discussion, which presents our results for the nine months ended September 30, 2024 and 2023 and the years ended December 31, 2023 and 2022, should be read in conjunction with our audited financial statements and our condensed interim financial statements and the accompanying notes included elsewhere in this Exchange Offer and Consent Solicitation Memorandum. We intend for this discussion to provide you with information that will assist you in understanding our consolidated financial statements, the changes in certain key items in those consolidated financial statements from period to period and the primary factors that accounted for those changes.

On May 10, 2022, the then-principal shareholders of IV1L and the then-controlling shareholder of Gol entered into an agreement to create Abra, bringing together the iconic *avianca* and Gol brands. The Abra Transaction aims to provide greater network and product synergies, broader geographic coverage and greater efficiencies, while Avianca and Gol retain independent brands, talent, teams, and culture.

On April 3, 2023, the Abra Transaction closed, and the then-shareholders of IV1L transferred their shares therein to Abra in exchange for shares in Abra. As a result, Abra became our ultimate parent, as 100% of the IV1L's ordinary shares are owned by Abra and 100% of our ordinary shares are owned by IV1L.

Reportable Segments

Our operations are organized into two reportable segments, which reflect the way our chief operating decision maker, which we refer to as our CODM, is provided with financial information and the way in which our CODM analyzes performance and allocates resources. Our CODM is our board of directors and our reportable segments are (1) air transportation, which corresponds to passenger and cargo operations for scheduled flights and freight transport,

respectively, including ancillary services and (2) loyalty, which corresponds to the LifeMiles program. Segment performance is evaluated based on our statement of comprehensive income (loss). See Note 5 to our audited financial statements and Note 5 to our condensed interim financial statements included elsewhere in this Exchange Offer and Consent Solicitation Memorandum for additional information.

Factors Affecting Comparability

In our unaudited condensed consolidated interim financial statements as of September 30, 2024 and for the three-month and nine-month periods ended September 30, 2024 and 2023, to improve presentation and comparability with other companies in our industry and address certain immaterial corrections, we reclassified certain line items in our statements of comprehensive income and in our statements of financial position, as compared to the presentation in our audited consolidated financial statement as of December 31, 2023 and 2022 and for the two years ended December 31, 2023 and 2022:

- ***Statements of Comprehensive Income***
    - we segregated depreciation, amortization and impairment into the following line items: (i) depreciation of right of use asset, (ii) other depreciation and amortization and (iii) impairment of other investments and assets held for sale;
    - we reclassified the impairment recognized in selling expenses associated with other investments, to impairment of other investments and assets held for sale;
    - as an immaterial correction, we reclassified discontinuing operations corresponding to assets held for sale, previously treated as loss from discontinuing operations, to impairment of other investments and assets held for sale;
- ***Statements of Financial Position***
    - to ensure alignment with the definition of a demand deposit under IAS 7, we reclassified restricted cash pledged from checking and savings accounts to meet collateral requirements, previously treated as cash and cash equivalents, to current and non-current deposits and other assets;
    - we segregated intangible assets and goodwill, net into separate line items for goodwill and intangible assets;
    - we segregated property and equipment into separate line items for right of use assets and property and equipment; and
    - we segregated (i) current portion of lease liability as a separate line item from the short-term borrowings and current portion of long-term debt and (ii) long-term lease liability as a separate line item from long-term debt.

We have derived the consolidated statements of comprehensive income data for the nine months ended September 30, 2024 and September 30, 2023 presented in this Exchange Offer and Consent Solicitation Memorandum from our condensed interim financial statements, which reflect the reclassifications above, and the consolidated statements of comprehensive income data for the years ended December 31, 2023 and 2022 from our audited financial statements, which do not reflect such reclassifications. As a result, the consolidated statements of comprehensive income data for the nine months ended September 30, 2024 and September 30, 2023 presented in this Exchange Offer and Consent Solicitation Memorandum is not entirely comparable to the consolidated statements of comprehensive income data for the years ended December 31, 2023 and 2022 presented in this Exchange Offer and Consent Solicitation Memorandum.

In addition, to improve period-to-period comparability, we have derived the consolidated statement of financial position data as of December 31, 2023 presented in this Exchange Offer and Consent Solicitation

Memorandum from our audited financial statements and included in those figures the reclassifications referred to above to conform to the presentation of our financial position data as of September 30, 2024 derived from our condensed interim financial statements. The consolidated statement of financial position data as of December 31, 2022 included in this Exchange Offer and Consent Solicitation Memorandum is derived from our audited financial statements and do not reflect such reclassifications. As a result, the consolidated statement of financial position data as of September 30, 2024 and December 31, 2023, as presented in this Exchange Offer and Consent Solicitation Memorandum, is not entirely comparable to the consolidated statement of financial position data as of December 31, 2022 presented in this Exchange Offer and Consent Solicitation Memorandum.

Factors Affecting our Financial Condition and Results of Operations

Our financial condition and results of operations have been affected, and will continue to be, affected by a number of important factors, including the following:

Macroeconomic Factors

We are generally affected by economic conditions in the markets in which we operate. Macroeconomic conditions in these countries and region including periods of recession that affect consumer purchasing power, high inflation and volatility in exchange rates, especially against the U.S. dollar, that impacts both of our revenue and our costs, affects demand for our services, our financing costs and our exposure to fuel prices, which are denominated in U.S. dollars.

Aircraft Fuel Prices

Aircraft fuel expenses constitute the largest portion of our total operating expenses, representing 31.9%, 34.1% and 37.3% of our total operating expenses in the nine months ended September 30, 2024 and the years ended December 31, 2023 and 2022, respectively. International and local aircraft fuel prices are subject to wide price fluctuations and, in some cases, sudden disruptions, based on geopolitical issues, such as the Russia-Ukraine conflict and conflicts in the Middle East including the 2023 Israel-Hamas war, and supply and demand as well as market speculation. We may not be able to adjust our fares adequately or otherwise respond quickly to protect ourselves from volatility in aircraft fuel prices.

Because our aircraft fuel purchase agreements do not protect us against aircraft fuel price increases, from time to time we may enter into hedge contracts to mitigate our exposure to aircraft fuel price increases. However, in such cases, when aircraft fuel prices decrease, we may be exposed to losses on our hedge contracts, which can offset savings in aircraft fuel expenses. In July 2024, we entered into swap agreements on crack spreads to mitigate the impact of hurricane season on Gulf Coast jet fuel prices. As of September 30, 2024, our hedging position covered 75% of expected fuel consumption in October. Our philosophy is to not hedge systematically against fuel price risk through financial instruments, but rather to pass-through the underlying fuel cost fluctuations to fares in markets with supportive demand dynamics. We do, however, from time to time, enter into hedging positions through financial derivatives to mitigate specific event risks, such as geopolitical uncertainty or extreme weather events that may negatively impact the fuel supply chain. See "—Quantitative and Qualitative Disclosures About Market Risk."

Competition

The airline industry is highly competitive. The principal competitive factors in the airline industry are the fare and total price, flight schedules, number of routes served from a city, loyalty programs and passenger amenities, customer service, fleet type and reputation. The airline industry is particularly susceptible to price discounting as once a decision to fly a scheduled flight has been made, airlines incur only nominal incremental costs to provide service to passengers occupying otherwise unsold seats. Price competition occurs on a market-by-market basis through price discounts, changes in pricing structures, fare matching, targeted promotions and loyalty initiatives. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to maximize PRASK. The prevalence of discount fares can be particularly acute when a competitor has excess seat capacity that it is under financial pressure to fill.

A key element of our competitive strategy is to maintain an efficient cost structure to permit us to compete successfully in price-sensitive markets. We have structurally transformed our business to a cost-efficient carrier, with a disciplined approach to CASK. Since our reorganization under Chapter 11, we have implemented several strategic initiatives to achieve sustainable cost leadership, which have included simplifying and densifying our Fleet, renegotiating contracts with suppliers, including aircraft lessors and other suppliers, optimizing our network for improved utilization, implementing a buy-on-board program, and renegotiated our distribution model aiming at increasing ticket sales through direct channels, and implementing an unbundled fare and ancillary fee structure. We continue to improve across multiple areas to ensure continued cost leadership.

Our current and potential competitors include legacy carriers as well as LCCs and ULCCs. Some of our current or future competitors may have greater liquidity and access to capital and may serve more routes than we do.

Changes in Foreign Exchange Rates

Our functional currency is the U.S. dollar, and our consolidated financial statements are presented in U.S. dollars. Our freight rates, as well as our international passenger fares, are largely denominated in U.S. dollars. However, sales in domestic markets are made in local currencies, where prices may not be fully indexed to the U.S. dollar. While we price our tickets in U.S. dollars in many markets in which we operate, volatility in local currencies may still impact the purchasing power of our passengers. In addition, a portion of our operating revenue and expenses, such as remuneration expenses, is denominated in currencies other than the U.S. dollar, thereby exposing us to foreign exchange variation in translating our results denominated in other currencies into U.S. dollars, mainly in relation to the Colombian peso. 17.7% and 16.9% of our operating revenues, and 16.6% and 16.6% of our operating expenses in 2023 and 2022, respectively, were denominated in Colombian pesos. For more information, see "Risk Factors—Risks Related to Colombia and the Latin American Regions in which we Operate—Fluctuations in foreign exchange rates and restrictions on currency exchange could adversely affect our business, results of operations and financial condition."

Labor

As of September 30, 2024, we had approximately 2,919 employees (out of a total of 13,863 employees), or approximately 21.1%, that were members of labor unions, including in Colombia and Mexico. The wages, benefits and work rules of unionized airline industry employees are largely determined by collective bargaining agreements. Generally, our collective bargaining agreements contemplate a periodic salary adjustment based on inflation. Terms are reviewed when the applicable union files a request. If we are unable to reach an agreement with the respective unions in current or future negotiations regarding the terms of their collective bargaining agreements, subject to applicable law, we may be subject to operational slowdowns or stoppages, which would be likely to adversely affect our ability to conduct business. Any agreement we do reach could increase our labor cost and related expenses.

Seasonality and Other Drivers of Fluctuations in Our Results

Our operating results fluctuate due to seasonality, including high vacation and leisure demand occurring during the Easter holiday, the months of July and August and the months of December and January. The lowest levels of passenger traffic are typically concentrated in the months of February, March (depending on whether the Easter holiday falls in March or April) and May. Consequently, our results for the second half of the year are usually better than our results for the first half of the year. The actions of our competitors may also contribute to fluctuations in our results of operations. As we enter new markets, we could be subject to additional seasonal variations along with any competitive responses to our entry by other airlines. We are more susceptible to adverse weather conditions, including hurricanes generally during the months of June to November, because of our operations being concentrated in Central America, the Caribbean and Colombia. Price changes in aircraft fuel as well as the timing and amount of maintenance and advertising expenditures also impact our operations. In addition, we may experience fluctuations in the level of breakage revenue recognized from unused and expired passenger credits or other travel credits, including as a result of extraordinary events such as the COVID-19 pandemic, which may result in fluctuations in our results of operations and profitability. As a result of these factors, quarter-to-quarter comparisons of our operating results may not be a good indicator of our future performance.

Principal Components of Our Results of Operations

Operating Revenue

Passenger Operating Revenue. Passenger operating revenue consists of ticket revenue, ancillary revenue, passenger loyalty revenue and other revenue. Passenger operating revenue depends on aircraft capacity (ASKs), passenger usage (RPKs), load factors (RPKs/ASKs), and passenger yield (average fare per kilometer). Passenger operating revenue is recognized when transportation is provided or when our obligation expires. The amount of ticket sales not yet recognized as revenue is reflected under "Air traffic liability" in the statement of financial position.

- *Tickets*. Ticket revenue consists of revenue from ticket sales, including base fares, unused and expired passenger credits, and other redeemed or expired travel credits. Ticket revenue is a function of the capacity of our aircraft on the routes we fly, our load factors and our yields. Our passenger capacity is measured in terms of ASKs. Our passenger usage is measured in terms of RPKs. We calculate load factors, or the percentage of our capacity that is actually used by paying customers, by dividing RPKs by ASKs. Our passenger yield is the average fare that one passenger pays to fly one kilometer.

- *Ancillaries*. Ancillary services include seats and upgrades, baggage, changes and fees, other ancillaries and non-air ancillaries which can be sold either with a ticket or on a standalone basis. When a passenger purchases a bundled fare, the portion of the fare incremental to basic is recorded as ancillary revenue. For the avoidance of doubt, on-board sales of food and beverage are recorded in passenger services expenses, as a net of food and beverage expenses.

- *Loyalty*. Passenger loyalty revenue primarily consists of revenue from mileage redemption and breakage in air services, as well as loyalty program fees.

- *Other.* The portion of other revenue recorded under passenger operating revenue consists of revenue from charter services.

Cargo and Other. Cargo and Other operating revenue consists of other loyalty revenue, cargo and courier revenue and other revenue.

- *Loyalty*. Other loyalty revenue primarily consists of revenue from mileage redemption and breakage in non-air commercial partners and VIP lounge entries.

- *Cargo*. Cargo and courier operating revenue consists of revenue generated from shipping cargo and courier services using our freighter Fleet and passenger aircraft bellies. We operate Colombian courier services under the Deprisa brand. Cargo revenue depends on the amount of cargo carried (RTKs) and cargo yield (revenue per ton-kilometer). Courier revenue depends on the number of packages and their unit price. Cargo and courier revenue is recognized upon delivery.

- *Other*. Our other operating revenue primarily consists of revenue from line maintenance services and airport fees. Other operating revenue is recognized as the related performance obligations are met.

Operating Expenses

Aircraft fuel expense is the largest component of our operating expenses. In the nine months ended September 30, 2024 and the year ended December 31, 2023, aircraft fuel expense represented 31.9% and 34.1% of our total operating expenses, respectively. In addition to aircraft fuel expense, our principal operating expense categories comprise salaries, wages and benefits; ground operations; air traffic; flight operations; passenger services; maintenance and repairs; selling expenses; fees and other expenses, rentals, depreciation of right of use assets; other depreciation, amortization and impairment; impairment of other investments and assets held for sale; and other operating expenses.

Aircraft Fuel. Our aircraft fuel expenses refer to our "into-plane" fuel cost (which includes the fuel price, fees, mark-up, taxes and distribution costs). These expenses are variable and fluctuate based on global oil prices and vary significantly from country to country, primarily due to local distribution and transportation costs and taxes. In 2023, we purchased 32.7% of our fuel at our largest hub in BOG, where we were able to obtain better fuel distribution prices relative to other locations due to volume discounts and refinery locations. We have 15 fuel suppliers across our international network and seek to fuel our aircraft in cities where fuel prices are lower. Crude oil prices are constantly subject to fluctuations, driven by a wide range of political and macroeconomic events. Geopolitical tensions, such as conflicts in key oil-producing regions, can trigger immediate price spikes. Similarly, economic policies, shifts in global demand, and decisions by major oil-producing nations on output levels contribute to persistent volatility. Market speculation, currency fluctuations, and unexpected disruptions, such as natural disasters, further exacerbate this instability.

Salaries, Wages and Benefits. Our salaries, wages and benefits expenses relate to personnel, including cockpit crew, flight attendants and maintenance, airport and commercial and administrative personnel. In some cases, we periodically adjust salaries of our employees based on changes in the cost of living in the countries where these employees work, usually based on inflation. Salaries, wages and benefits also include other non-payroll costs corresponding to benefits granted to employees.

Ground Operations. Ground operations expenses primarily comprise landing and aircraft parking fees, air navigation fees, ramp services and passenger security related costs. These expenses are generally correlated with the number of departures and passengers carried. Ground operations expenses also include cargo and courier handling related costs.

Air Traffic. Our air traffic expenses primarily comprise expenses relating to airport facilities, airport outsourced personnel, outsourced customer call center services and passenger compensation for interrupted or over-booked flights.

Flight Operations. Our flight operations expenses comprise insurance coverage for hull and liabilities (passenger liability and third-party liability), hull war, hull deductible and war excess (all related to aviation insurance). We insure in the London reinsurance market. Flight operations expenses also include hotel accommodation expense, per diem expense and training costs related to pilot crews.

Passenger Services. Our passenger services expenses primarily comprise expenses related to meals and beverages, baggage handling, in-flight entertainment and other expenses related to aircraft and airport handling services. Food and beverage expenses are recorded net of on-board sales of food and beverage. These expenses are directly related to the number of passengers we carry and the number of flights we operate, as well as the type of service provided. Passenger services expenses also include hotel accommodation expense, per-diem expense and training costs related to flight attendants.

Maintenance and Repairs. Our maintenance and repairs expenses primarily comprise repairs of aircraft components, engines and equipment and routine maintenance for aircraft. However, we do not include aircraft and engine repairs that involve full overhaul, which are recorded under Other Depreciation, Amortization and Impairment. Maintenance of flight and aircraft equipment costs is generally correlated with departures and block hours. We perform our line maintenance for all our Fleet types at our hubs in BOG and SAL.

Selling Expenses. Our selling expenses comprise commissions paid to travel agencies, credit card fees, fees related to reservation systems and GDS and advertising expenses. In addition, selling expenses also include costs associated with accruals of Miles by passengers flying on our flights and third-party redemptions under our LifeMiles loyalty program.

Fees and Other Expenses. Our fees and other expenses primarily comprise expenses related to administrative functions, general services, legal and other professional fees and the gain or loss from the sale of assets. They also include indirect taxes.

Rentals. Our rentals expense includes variable rent expense for aircraft and engines, short-term contracts and ACMI leases. It does not include rental expense associated with long-term contracts which are recorded in Depreciation of Right of Use Asset and Interest Expense.

Depreciation of Right of Use Asset. Our depreciation of right of use asset expense consists of depreciation of leased assets under IFRS 16 and the incremental right of use associated with the respective return condition provision of leased aircraft.

Other Depreciation, Amortization and Impairment. Our other depreciation, amortization and impairment expense includes depreciation of owned aircraft, depreciation of non-aircraft assets, amortization of capitalized projects owned and amortization of intangible assets. Amortization of capitalized maintenance, which is amortized on a straight-line or utilization basis, depending on the component, is also included within other depreciation, amortization and impairment expense. The impairment expense comprises Fleet retirement charges as well as spare parts.

Impairment of Other Investments and Assets Held for Sale. Our impairment of other investments and assets held for sale mainly comprises impairment of loan receivables and assets.

Interest Expense, Interest Income, Foreign Exchange, Net and Equity Method Profit

Interest Expense. Interest expense includes interest on lease liabilities related to aircraft lease agreements under IFRS 16. Interest expense also comprises interest expense on borrowings, unwinding of the net-present-values discount on provisions and changes in the fair value of financial assets. We recognize borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset using the effective interest method.

Interest Income. Interest income comprises interest income on funds invested. We recognize interest income as accrued using the effective interest rate method.

Foreign Exchange, net. Foreign exchange, net primarily comprises the net non-cash gain or loss on our assets and liabilities related to the appreciation or depreciation of the Colombian peso and other currencies against the U.S. dollar.

Equity Method Income. Equity method profit comprises an increase in assets in the form of a non-controlling participation in associate income.

Income Taxes

The major components of income tax expense are provisions for current taxes, prior periods adjustments and origin and reversal of temporary differences (deferred tax). In order to reconcile our nominal and effective tax rates on our deferred income tax, we consider permanent differences. These may include consolidation of special purpose entities, property, plant and equipment losses and a special 40% deduction allowance on the value of our leases that is applicable in Colombia.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the applicable taxation authorities. The tax rates and tax laws used to calculate the amount are those that are enacted, or substantially enacted, at the reporting date in the countries where we operate and generate taxable income. Current and deferred taxes are recognized in income, except when they refer to items that are recognized outside of income, either in other comprehensive income or directly within stockholders' equity, respectively. When the initial recognition of a business combination arises, the tax effect is included within the recognition of the business combination. Management periodically evaluates positions taken within our tax returns with respect to situations for which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is generated by temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is calculated using the tax rates

that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. We book this difference in our income statement as deferred income tax.

Our effective tax rate is the average rate at which our consolidated pre-tax profits are taxed and is calculated by dividing total income tax expense by income (loss) before income tax. In certain instances, consolidated losses might be reported while tax expenses are incurred, resulting in a negative effective tax rate, such as: (i) where any affiliates generate profits before taxes on a stand-alone basis; and (ii) where any affiliates operate in jurisdictions where taxes are calculated over gross revenues or over operating profits rather than over net profits.

Income taxes are paid in each of the jurisdictions in which the Company and its subsidiaries operate according with the corresponding local tax rules, with the effect that current payable taxes cannot be offset by current recoverable taxes. Therefore, we do not file a consolidated tax return. As a result, our effective consolidated tax rate can be higher than statutory tax rates, due to, among other things, losses and non-realized gain/loss due to foreign exchange differences incurred in a particular jurisdiction, that cannot reduce income of other entities of the Avianca Group.

Critical Accounting Policies and Estimates

Our audited financial statements have been prepared in accordance with IFRS as issued by the IASB and our condensed interim financial statements in accordance with IAS 34. The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. We believe that our estimates and judgments are reasonable; however, actual results and the timing of recognition of such amounts could differ from those estimates.

The following discussion describes those areas that require considerable management judgment or involve a higher degree of complexity in the application of the accounting policies that currently affect our financial position and results of operations. For more information, see Note 3 to our audited financial statements and Note 3 to our condensed interim financial statements included elsewhere in this Exchange Offer and Consent Solicitation Memorandum for additional information.

Revenue Recognition

We recognize revenue from the sale of Miles that are expected to expire unused, or breakage, based on historical data and experience. In defining expected breakage, management uses a predictive statistical model that measures behavior patterns of members segmented into statistically homogenous groups considering their Miles balance, size, recency and frequency of accruals and redemptions, tenure, home geography, co-brand card uses and elite status. This model projects accruals, redemptions and expiries for each member of the loyalty program for 15 years into the future in six-month time periods considering the following assumptions derived empirically from available data: (1) likelihood of accrual in the period, (2) for those projected to accrue, the size of the accrual, (3) likelihood of redemption in the period, (4) for those projected to redeem, the size of the redemption. Forward projection assumptions consider both pre-pandemic (January 1, 2018, to December 31, 2019) and most recent (last 12-months) member experience. Every year, management reassesses the historical data and makes required adjustments. Considering the frequent flyer deferred revenue liability balance as of September 30, 2024, a one hundred basis points increase (decrease) in our breakage estimate would result in a gain (loss) of $27.0 million on our income before tax for the nine months ended September 30, 2024.

There are no material critical accounting estimates associated with our other revenue streams.

Leased Aircraft and Engines Return Provisions.

Certain of our Aircraft Leases establish conditions that require aircraft or engines to be returned to the lessor once the contractual period terminates. To comply with these return conditions, we incur costs throughout the term of the Aircraft Lease contracts, such as those associated with the overhaul costs of components. These return conditions represent an immediate legal obligation at inception of the lease contract. Therefore, we estimate the costs we expect to incur during the Aircraft Lease term to return the underlying aircraft or engine to the lessor in the specified condition.

The projected amount of the return condition obligation is discounted to present value and recognized as a right-of-use asset on our statement of financial position. The recognition of the return condition provision requires management to make estimates of the costs with third parties of return conditions, discount rate and use inputs such as estimated hours, or cycles at redelivery of major components, projected overhaul costs and overhaul dates of major components. For example, considering the actual Aircraft Leases as of September 30, 2024, with the last one expiring in 2036, within a 10% range increase or decrease in the utilization of the actual Fleet as of such date, the redelivery long-term cost expense on an annual basis during this period would have ranged from between $1.8 million to $29.7 million in the period, depending on the specific return conditions of each aircraft or engine. This variance could be reflected through depreciation expenses between $1.1 million to $17.2 million and interest expense between $0.7 million to $12.5 million.

Impairment of Non–financial Assets.

Goodwill and indefinite-lived intangible assets are not amortized and are instead reviewed for impairment annually or more frequently if events or circumstances indicate that the asset may be impaired. For purposes of this testing, we have identified the air transportation reportable segment and the loyalty reportable segment as our cash-generating units, or the lowest levels at which independent cash inflows arise. Assets subject to amortization are tested for impairment losses whenever any event or change in circumstances indicates that the carrying amount may not be recoverable.

Impairment analyses involve assessments of recoverability, and estimating the recoverable amount resulting from future cash flows of a cash-generating unit involves a high degree of uncertainty. In assessing recoverability, we measure based on each cash-generating unit's value in use, in which cash flows incorporate estimates of the entity rather than the market. We place greater reliance on market data, where available, and corroborate our estimates with external information. When the carrying amounts of our cash-generating units exceed recoverable amounts, an impairment loss is recognized for the excess within the consolidated statements of comprehensive income or loss.

Results of Operations

Comparison of the nine months ended September 30, 2024 and 2023

The following table summarizes key components of our results of operations for the periods indicated, as well as the change stated in terms of dollars and percentages:

	For the nine months ended September 30,		Change	
	2024	2023		
	($ in thousands)		$	%
Operating revenue:				
Passenger[1]	$ 3,263,125	$ 2,932,688	$ 330,437	11.3%
Cargo and Other[2]	544,761	550,648	(5,887)	(1.1)%
Total operating revenue	**3,807,886**	**3,483,336**	**324,550**	**9.3%**
Operating expenses:				
Aircraft fuel	1,085,656	1,026,271	59,385	5.8%
Salaries, wages, and benefits	500,942	386,524	114,418	29.6%
Ground operations	397,499	345,494	52,005	15.1%
Air traffic	192,483	156,080	36,403	23.3%
Flight operations	70,893	72,459	(1,566)	(2.2)%
Passenger services	79,921	64,184	15,737	24.5%
Maintenance and repairs	152,187	133,339	18,848	14.1%
Selling expenses	269,152	267,822	1,330	0.5%
Fees and other expenses	207,402	160,569	46,833	29.2%
Rentals	63,505	91,044	(27,539)	(30.2)%
Depreciation of right of use asset	293,895	239,270	54,625	22.8%
Other depreciation and amortization	91,480	93,959	(2,479)	(2.6)%
Impairment of other investments and assets held for sale	—	9,348	(9,348)	(100.0)%
Total operating expenses	**3,405,015**	**3,046,363**	**358,652**	**11.8%**
Operating income	**402,871**	**436,973**	**(34,102)**	**(7.8)%**
Interest expense	(411,849)	(377,071)	(34,778)	9.2%
Interest income	45,352	36,280	9,072	25.0%
Net interest expense	**(366,497)**	**(340,791)**	**(25,706)**	**7.5%**
Foreign exchange, net	(4,220)	(3,218)	(1,002)	31.1%
Equity method income	609	726	(117)	(16.1)%
Income before income tax	**32,763**	**93,690**	**(60,927)**	**(65.0)%**
Income tax expense – current	(27,891)	(30,095)	2,204	(7.3)%
Income tax benefit – deferred	3,489	22,184	(18,695)	(84.3)%
Total income tax expense	**(24,402)**	**(7,911)**	**(16,491)**	**NM**
Net income for the period	**8,361**	**85,779**	**(77,418)**	**(90.3)%**

(1) Passenger operating revenue includes (i) ticket revenue, (ii) ancillary revenue, (iii) loyalty revenue and (iv) other revenue, as set forth in the table below:

	For the nine months ended September 30,		Change	
	2024	2023		
	($ in thousands)		$	%
Passenger:				
Tickets	$ 2,366,701	$ 2,096,926	$ 269,775	12.9%
Ancillaries	684,606	650,119	34,487	5.3%
Loyalty	208,905	182,665	26,240	14.4%
Other	2,913	2,978	(65)	(2.2)%
Total	**$ 3,263,125**	**$ 2,932,688**	**$ 330,437**	**11.3%**

(2).....Cargo and other operating revenue includes (i) loyalty revenue, (ii) cargo revenue and (iii) other revenue, as set forth in the table below:

	For the nine months ended September 30,		Change	
	2024	2023	$	%
	($ in thousands)			
Cargo and other:				
Loyalty	$ 25,619	$ 22,508	$ 3,111	13.8%
Cargo	487,752	509,704	(21,952)	(4.3)%
Other	31,390	18,436	12,954	70.3%
Total	$ 544,761	$ 550,648	$ (5,887)	(1.1)%

The following table sets forth certain operating statistics for our passenger and cargo and courier operations the periods indicated:

	For the nine months ended September 30,	
	2024	2023
Passenger:		
Total Passengers (in millions)	28.2	22.9
Capacity (in ASKs in millions)	47,622	39,825
PRASK (in U.S. cents)	6.4	6.9
Passenger CASK ex fuel (in U.S. cents)[1]	3.9	3.9
Load factor	81.7%	82.5%
Passenger yield (in U.S. cents)	7.8	8.4
Cargo:		
Weight of cargo carried (in tons)	398,333	397,266
Capacity (in ATKs in millions)	1,945.5	1,976.2
RATK ($)	0.23	0.24
Load factor	61.9%	59.8%
Cargo yield ($)	0.37	0.40

(1) For a calculation of Passenger CASK ex-fuel, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

Operating Revenue by Geography

The following table summarizes operating revenue by geographic area for the periods indicated. We allocate revenues by geographic area based primarily on the point of origin of the first flight.

	For the nine months ended September 30,		%
	2024	2023	Change
	($ in thousands)		
Operating revenue:			
Colombia	$ 1,631,572	$ 1,507,816	8.2%
North America[1]	751,978	711,506	5.7%
Central America and the Caribbean	646,028	520,602	24.1%
South America (excluding Colombia)	562,979	524,202	7.4%
Europe	214,318	219,156	(2.2)%
Other	1,011	54	NM
Total	**$ 3,807,886**	**$ 3,483,336**	**9.3%**

(1) Includes the United States ($580,125 for the nine months ended September 30, 2024 and $576,186 for the nine months ended September 30, 2023), Canada and Mexico.

Total Operating Revenue

Passenger Operating Revenue. Passenger operating revenue was $3,263.1 million during the nine months ended September 30, 2024, a 11.3% increase from $2,932.7 million during the nine months ended September 30, 2023, mainly due to a 19.6% increase in capacity primarily as a result of additional narrow-body operating Fleet, which increased from an average of 108 aircraft during the nine months ended September 30, 2023 to 130 during the nine months ended September 30, 2024, which also generated incremental loyalty revenues, partially offset by a load factor decrease from 82.5% to 81.7% and a yield decrease of 6.2% due to competitive pressure mainly in Colombia and Central and North America.

Cargo and Other Operating Revenue. Cargo and other operating revenue was $544.8 million during the nine months ended September 30, 2024, a 1.1% decrease from $550.6 million during the nine months ended September 30, 2023, due to a 7.5% decrease in yield mainly explained by jet fuel price decrease and a 1.6% decrease in capacity, mainly generated during the first half of 2024, partially offset by a revenue increase during the third quarter, where revenue was more in line with the corresponding period of 2023.

Total Operating Expenses

Total Operating Expenses. Our total operating expenses were $3,405.0 million during the nine months ended September 30, 2024, an increase of only 11.8% from $3,046.4 million during the nine months ended September 30, 2023, despite a 19.6% increase in capacity as described above, in addition to the reconfiguration and increased utilization of those aircraft, offset by increased operational efficiency, mainly achieved through lower distribution and commissions expenses as well as improved labor productivity, and lower fuel prices.

Aircraft Fuel. Aircraft fuel expense was $1,085.7 million during the nine months ended September 30, 2024, an increase of 5.8%, from $1,026.3 million during the nine months ended September 30, 2023. The increase in consumption of aircraft fuel primarily resulted from the increased capacity as described above. In terms of gallons, our aircraft fuel consumption increased by 12.4%. This increase was partially offset by a 5.9% lower into–plane jet fuel price from our Passenger and Cargo operation, which decreased from an average of $3.01 per gallon during the nine months ended September 30 of 2023 to an average of $2.83 per gallon during the same period in 2024, as well as increased fuel efficiency per ASK.

The following table sets forth certain information relating to our passenger aircraft fuel expenses for the periods indicated:

	For the nine months ended September 30,	
	2024	**2023**
Passenger:		
Average price per gallon of jet fuel into–plane (in U.S. dollars)	2.83	3.00
Gallons consumed (in thousands)	340,222	293,907
ASKs (in millions)	47,622	39,825
Gallons per ASK (in thousands)	7.1	7.4

Salaries, Wages and Benefits. Salaries, wages and benefits expenses were $500.9 million during the nine months ended September 30, 2024, representing a 29.6% increase from $386.5 million during the nine months ended September 30, 2023, primarily due to appreciation of the Colombian peso resulting in higher wages in U.S. dollar terms and inflation–related wage adjustments, which were offset by productivity improvement as compared to 2023 as shown by an increase in headcount of only 7.1% despite the 19.6% increase in capacity described above.

Ground Operations. Ground operations expense was $397.5 million during the nine months ended September 30, 2024, representing a 15.1% increase from $345.5 million during the nine months ended September 30, 2023, mainly due to higher air navigation, landing and ramp services expenses, which correspond to the 19.6% increase in capacity described above. Flight departures increased by 21.2% and block hours increased by 17.3% during the same comparative period.

Air Traffic. Air traffic expense was $192.5 million during the nine months ended September 30, 2024, representing a 23.3% increase from $156.1 million during the nine months ended September 30, 2023. This increase is mainly due to increased airport (facilities, customs and immigration and airport systems) expenses and aviation security, largely driven by a 23.1% increase in passengers transported.

Flight Operations. Flight operations expense was $70.9 million during the nine months ended September 30, 2024, decreasing 2.2% from $72.5 million during the nine months ended September 30, 2023, despite the 19.6% increase in capacity described above. The variation is mainly driven by a lower pilot training expense due to the reduction of required initial training volume, as well as a decrease in aeronautical insurance amortization as a result of rates negotiations.

Passenger Services. Passenger services expense was $79.9 million during the nine months ended September 30, 2024, representing a 24.5% increase from $64.2 million during the nine months ended September 30, 2023, mainly due to a 23.1% increase in passengers, as well as on-board service level improvement and business class implementation in our narrow-body fleet.

Maintenance and Repairs. Maintenance and repairs expense was $152.2 million during the nine months ended September 30, 2024, representing a 14.1% increase from $133.3 million during the nine months ended September 30, 2023, mainly due to higher flight hours increasing our monitoring contracts expense and higher components expense as a result of a growth in our average narrow-body fleet count.

Selling Expenses. Selling expenses were $269.2 million during the nine months ended September 30, 2024, representing a 0.5% increase from $267.8 million during the nine months ended September 30, 2023, mainly due to higher sales volume, partially offset by lower distribution costs and a shift in bookings to a more efficient mix of channels such as our website and mobile app.

Fees and Other Expenses. Fees and other expenses were $207.4 million during the nine months ended September 30, 2024, representing a 29.2% increase from $160.6 million during the nine months ended September 30, 2023. Excluding an extraordinary tax recovery of $20.9 million in 2023, the resulting increase of would have been 14.3%, mainly driven by IT-related expenses to support our expanded operations and higher capacity.

Rentals. Rentals expense was $63.5 million during the nine months ended September 30, 2024, representing a 30.2% decrease from $91.0 million during the nine months ended September 30, 2023, mainly due to our Boeing 787 aircraft, which were operating under short-term PBH contracts between January and June of 2023 and under long-term lease agreements thereafter, and lower expense under our ACMI contracts. The expense associated with these long-term lease agreements is recorded under depreciation of right of use asset and interest expense.

Depreciation of Right of Use Asset. Depreciation of right of use asset expense was $293.9 million during the nine months ended September 30, 2024, representing a 22.8% increase from $239.3 million during the nine months ended September 30, 2023. The higher depreciation expense was driven by the incorporation of a new Fleet under long-term operating leases as well as our Boeing 787 aircraft, which were operating under short-term PBH contracts between January and June of 2023 and under long-term lease agreements thereafter, as described above.

Other Depreciation and Amortization. Other depreciation and amortization was $91.5 million during the nine months ended September 30, 2024, representing a 2.6% decrease from $94.0 million during the nine months ended September 30, 2023, primarily due to non-recurrent charges and lower intangible asset depreciation in 2023, which were partially offset by an increase in depreciation related to capitalized maintenance events.

Impairment of Other Investments and Assets Held for Sale. During the nine months ended September 30, 2024, we did not have any impairment expense related to other investments and assets held for sale, as compared to the nine months ended September 30, 2023, where we recognized an impairment expense of $9.3 million.

Other Income and Expenses

Interest Expense. Our interest expense was $411.9 million during the nine months ended September 30, 2024, representing a 9.2% increase from $377.1 million during the nine months ended September 30, 2023. Increased interest expense during the period was driven by higher interest expense recognized on our lease liabilities due to the addition of new aircraft into the Fleet under long-term operating leases, as well as our Boeing 787 aircraft, which were operating under short-term PBH contracts between January and June of 2023 and under long-term lease agreements thereafter, as described above, partially offset by the reversal of certain return condition liabilities associated with the conversion of aircraft from operating leases to financial leases.

Interest Income. Our interest income was $45.4 million during the nine months ended September 30, 2024, representing a 25.0% increase from $36.3 million during the nine months ended September 30, 2023, due to higher average interest-earning asset balances and higher interest rates during the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Foreign Exchange, Net. Foreign exchange net loss increased to a loss of $4.2 million during the nine months ended September 30, 2024, or 31.3%, from a loss of $3.2 million during the nine months ended September 30, 2023. This loss was driven by the devaluation of the Brazilian real and Colombian peso, because of the monetary position we have in those currencies.

Income Tax Expense. During the nine months ended September 30, 2024, total income tax expense was $24.4 million as compared to $7.9 million during the nine months ended September 30, 2023, representing an increase of 208.8%, mainly as a result of the fact that in 2023 we were able to recognize a deferred tax asset associated with the net operating losses of one of our subsidiaries located in Colombia, since the company was able to demonstrate the generation of future taxable profits to be compensated.

Current income tax expense was $27.9 million during the nine months ended September 30, 2024 compared to $30.1 million during the nine months ended September 30, 2023, representing a decrease of 7.3%. Deferred income tax benefit of $3.5 million was recorded during the nine months ended September 30, 2024, compared to a deferred income tax benefit of $22.2 million during the nine months ended September 30, 2023.

During the nine months ended September 30, 2024, the effective tax rate was 74.5%, which deviates from our consolidated nominal tax rate of 33% due to the fact that on a consolidated basis, we are not able to recognize deferred tax assets associated with the net operating losses we have in other companies of the Avianca Group. During the nine months ended September 30, 2023, the effective tax rate was 8.4%, which deviates from our consolidated nominal tax rate of 33% due to improved operating performance in non-taxable jurisdictions and the deferred tax assets on net operating losses that was recognized in one of our Colombian companies in 2023.

Segment Results

The following table summarizes operating revenue and operating income/(loss) for each of our reportable segments for the periods indicated.

	For the nine months ended September 30, 2024			
	($ in thousands)			
	Air Transportation	Loyalty	Corporate[1]	Consolidated[2]
Operating revenue:				
Tickets	$ 2,366,701	$ —	$ —	$ 2,366,701
Ancillaries	684,606	—	—	684,606
Cargo and courier	487,752	—	—	487,752
Loyalty	—	234,524	—	234,524
Other	34,303	—	—	34,303
Total operating revenue	**3,573,362**	**234,524**	**—**	**3,807,886**
Operating expenses before depreciation and amortization	2,894,018	125,622	—	3,019,640
Other depreciation, amortization, impairment and right of use asset	343,262	11,534	30,579	385,375
Operating income (loss)	**$ 336,082**	**$ 97,368**	**$ (30,579)**	**$ 402,871**

(1) Corporate functions that are not specifically attributable to an individual reportable segment are presented as Corporate.
(2) Inter-segment operating revenues and inter-segment operating expenses between our air transportation and loyalty segments were $81.2 million and $0.5 million, respectively, for the nine months ended September 30, 2024. Inter-segment operating revenues are eliminated upon consolidation.

	For the nine months ended September 30, 2023			
	($ in thousands)			
	Air Transportation	Loyalty	Corporate[1]	Consolidated[2]
Operating revenue[2]:				
Tickets	$ 2,096,926	$ —	$ —	$ 2,096,926
Ancillaries	650,119	—	—	650,119
Cargo and courier	509,704	—	—	509,704
Loyalty	—	205,173	—	205,173
Other	21,414	—	—	21,414
Total operating revenue	**3,278,163**	**205,173**	**—**	**3,483,336**
Operating expenses before depreciation and amortization	2,578,770	105,851	19,165	2,703,786
Other depreciation, amortization, impairment and right of use asset	293,266	9,773	39,538	342,577
Operating income (loss)	**$ 406,127**	**$ 89,549**	**$ (58,703)**	**$ 436,973**

(1) Corporate functions that are not specifically attributable to an individual reportable segment are presented as Corporate.
(2) Inter-segment operating revenues and inter-segment operating expenses between our air transportation and loyalty segments were $32.4million and $0.1 million, respectively, for the nine months ended September 30, 2023. Inter-segment operating revenues are eliminated upon consolidation.

Air transportation. Total operating revenue for our air transportation segment increased by $295.2 million, or 9.0%, to $3,573.4 million during the nine months ended September 30, 2024, compared to $3,278.2 million during the nine months ended September 30, 2023, mainly due to higher capacity, partially offset by lower yields and slightly lower load factors as described above. Operating expenses before depreciation and amortization for our air transportation segment were $2,894.0 million for the nine months ended September 30, 2024, a 12.2% increase as compared to $2,578.8 million for the nine months ended September 30, 2023, mainly due to the increase in the capacity deployed to serve demand in our Core Markets, offset by selling expenses efficiencies and improvement in labor productivity. Other depreciation, amortization, impairment and right of use asset for our air transportation segment was $343.3 million for the nine months ended September 30, 2024, a 17.0% increase as compared to $293.3 million for the nine months ended September 30, 2023, mainly due to higher fleet count related to higher capacity. Operating income for our air transportation segment was $336.1 million for the nine months ended September 30, 2024, a 17.2% decrease as compared to $406.1 million for the nine months ended September 30, 2023.

Loyalty. Total operating revenue for our loyalty segment increased by $29.3 million, or 14.3%, to $234.5 million during the nine months ended September 30, 2024, compared to $205.2 million during the nine months ended September 30, 2023, mainly due to the increased sale of Miles as well as the recognition of revenue in connection with increased redemptions. Operating expenses before depreciation and amortization for our loyalty segment were $125.6 million for the nine months ended September 30, 2024, a 18.7% increase as compared to $105.8 million for the nine months ended September 30, 2023, mainly due to higher variable costs, including Star Alliance redemptions, miles accruals costs, elite benefits and incentives, as well as the introduction of the significant economic presence tax in Colombia. Other depreciation, amortization, impairment and right of use asset for our loyalty segment was $11.5 million for the nine months ended September 30, 2024, an 18.0% increase as compared to $9.8 million for the nine months ended September 30, 2023. As a result, the operating income for our loyalty segment was $97.4 million for the nine months ended September 30, 2024, a 8.7% increase as compared to $89.5 million for the nine months ended September 30, 2023.

Comparison of years ended December 31, 2023 and 2022

The following table summarizes key components of our results of operations for the periods indicated, as well as the change stated in terms of dollars and percentages:

	For the year ended December 31,		Change	
	2023	2022		
	($ in thousands)		$	%
Operating revenue:				
Passenger[1]	$ 4,007,956	$ 3,132,561	$ 875,395	27.9%
Cargo and Other[2]	763,170	915,295	(152,125)	(16.6)%
Total operating revenue	**4,771,126**	**4,047,856**	**723,270**	**17.9%**
Operating expenses:				
Flight operations	87,080	72,893	14,187	19.5%
Aircraft fuel	1,416,445	1,479,783	(63,338)	(4.3)%
Ground operations	469,176	401,497	67,679	16.9%
Rentals	131,468	225,343	(93,875)	(41.7)%
Passenger services	87,092	90,695	(3,603)	(4.0)%
Maintenance and repairs	167,532	175,042	(7,510)	(4.3)%
Air traffic	204,640	171,913	32,727	19.0%
Selling expenses	354,401	326,275	28,126	8.6%
Salaries, wages, and benefits	551,930	440,029	111,901	25.4%
Fees and other expenses	233,084	250,764	(17,680)	(7.1)%
Depreciation, amortization and impairment	449,734	333,534	116,200	34.8%
Total operating expenses	**4,152,582**	**3,967,768**	**184,814**	**4.7%**
Operating income	**618,544**	**80,088**	**538,456**	**NM**
Interest expense	(510,301)	(398,249)	(112,052)	28.1%
Interest income	48,914	14,375	34,539	NM
Foreign exchange, net	(18,294)	(9,857)	(8,437)	85.6%
Equity method profit	1,066	523	543	NM
Income (loss) before income tax	**139,929**	**(313,120)**	**453,049**	**NM**
Income tax expense – current	(38,905)	(8,830)	(30,075)	NM
Income tax expense – deferred	36,980	1,512	35,468	NM
Total income tax expense	(1,925)	(7,318)	5,393	(73.7)%
Net (loss) income for the year from continuing operations	**138,004**	**(320,438)**	**458,442**	**NM**
Loss from discontinuing operations	(6,654)	(1,856)	(4,798)	NM
Net (loss) income for the period	**$ 131,350**	**$ (322,294)**	**$ 453,644**	**NM**

(1) Passenger operating revenue includes (i) ticket revenue, (ii) ancillary revenue, (iii) loyalty revenue and (iv) other revenue, as set forth in the table below:

	For the year ended December 31,		Change	
	2023	2022	$	%
	($ in thousands)			
Passenger:				
Tickets	$ 2,877,453	$ 2,407,514	$ 469,939	19.5%
Ancillaries	882,225	588,046	294,179	50.0%
Loyalty	244,224	132,977	111,247	83.7%
Other	4,054	4,024	30	0.7%
Total	**$ 4,007,956**	**$ 3,132,561**	**$ 875,395**	**27.9%**

(2) Cargo and other operating revenue includes (i) loyalty revenue, (ii) cargo revenue and (iii) other revenue, as set forth in the table below:

	For the year ended December 31,		Change	
	2023	2022	$	%
	($ in thousands)			
Cargo and other:				
Loyalty	$ 33,253	$ 36,505	$ (3,252)	(8.9)%
Cargo	676,572	823,341	(146,769)	(17.8)%
Other	53,345	55,449	(2,104)	(3.8)%
Total	**$ 763,170**	**$ 915,295**	**$ (152,125)**	**(16.6)%**

The following table sets forth certain operating statistics for our passenger and cargo and courier operations the periods indicated:

	For the year ended December 31,	
	2023	2022
Passenger:		
Total Passengers (in millions)	32.0	25.0
Capacity (in ASKs in millions)	54,706	41,596
PRASK (in U.S. cents)	6.9	7.2
Passenger CASK ex fuel (in U.S. cents)[(1)]	3.9	4.5
Load factor	82.4%	81.6%
Passenger yield (in U.S. cents)	8.3	8.8
Cargo:		
Weight of Cargo carried (in tons)	539,228	548,416
Capacity (in ATKs in millions)	2,630.7	2,462.2
RATK ($)	0.23	0.32
Load factor	60.9%	63.9%
Cargo yield ($)	0.38	0.49

(1) For a calculation of Passenger CASK ex-fuel, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

Operating Revenue by Geography

The following table summarizes operating revenue by geographic area for the periods indicated. We allocate revenues by geographic area based on a given flight's point of origin.

	For the year ended December 31,		%
	2023	2022	Change
	($ in thousands)		
Operating revenue:			
Colombia	$ 2,078,665	$ 1,779,759	16.8%
North America[(1)]	973,957	957,465	1.7%
Central America and the Caribbean	704,241	504,424	39.6%
South America (excluding Colombia)	708,344	599,252	18.2%

	For the year ended December 31,		%
	2023	2022	Change
	($ in thousands)		
Europe	305,419	206,376	48.0%
Other	500	580	(13.8)%
Total operating revenue	**$ 4,771,126**	**$ 4,047,856**	**17.9%**

(1) Includes the United States ($798,736 for the year ended December 31, 2023 and $736,154 for the year ended December 31, 2022), Canada and Mexico.

Total Operating Revenue

Passenger Operating Revenue. Passenger operating revenue was $4,008.0 million for the year ended December 31, 2023, a 27.9% increase from $3,132.6 million for the year ended December 31, 2022, mainly due to a 31.5% increase in capacity resulting from the incorporation of incremental, and densification of current, narrowbody operating fleet and a load factor increase from 81.6% to 82.4% driven mostly by stronger passenger demand in the domestic Colombian market, partially offset by a 5.5% decrease in yields (including tickets and ancillary revenues) reflecting the incremental capacity's pressure on fares.

Cargo and Other Operating Revenue. Cargo and other operating revenue was $763.2 million for the year ended December 31, 2023, a 16.6% decrease from $915.3 million for the year ended December 31, 2022, mainly due to a 22.4% decrease in yield resulting from weaker demand for freight transportation in South America, partially offset by a 6.8% increase in capacity driven by greater availability of widebody aircraft bellies.

Total Operating Expenses

Total Operating Expenses. Our total operating expenses were $4,152.6 million for the year ended December 31, 2023, a 4.7% increase from $3,967.8 million for the year ended December 31, 2022, mainly due to incremental capacity measured in ASKs of 31.5% and increase in passengers of 27.8%, partially offset by increased operational efficiencies, lower fuel consumption and lower fuel prices.

Flight Operations. Flight operations expense was $87.1 million for the year ended December 31, 2023, increasing 19.5% from $72.9 million for the year ended December 31, 2022, mainly due to higher pilot travel expenses (lodging, per-diem and meals) and pilot training, as a result of network and Fleet growth.

Aircraft Fuel. Aircraft fuel expenses was $1,416.4 million for the year ended December 31, 2023, a decrease of 4.3% from $1,479.8 million for the year ended December 31, 2022, mainly due to a 14.8% decrease in into-plane jet fuel price, as well as increased fuel efficiency per ASK, which more than offset a 12.4% increase in gallons consumed due to the capacity growth.

The following table sets forth certain information relating to our passenger aircraft fuel expenses for the periods indicated:

	For the year ended December 31,	
	2023	2022
Passenger:		
Average price per gallon of jet fuel into-plane (in U.S. dollars)	3.04	3.56
Gallons consumed (in thousands)	402,901	347,532
ASKs (in millions)	54,706	41,596
Gallons per ASK (in thousands)	7.4	8.4

Ground Operations. Ground operations expense was $469.2 million for the year ended December 31, 2023, representing a 16.9% increase from $401.5 million for the year ended December 31, 2022, mainly due to higher ramp services and landing and parking expenses due to a 14.5% increase in departures, as well as an increase in air navigation expense given a 17.2% increase in block hours. Both are the result of the high-capacity growth in the year ended December 31, 2023.

Rentals. Rentals expense was $131.5 million for the year ended December 31, 2023, representing a 41.7% decrease from $225.3 million for the year ended December 31, 2022, mainly due to the conversion of most of our A320 Family Fleet under short term PBH contracts to long-term lease agreements. The expense associated with these long-term lease agreements is recorded under Depreciation of Right of Use Asset. This decrease was partially offset by increased rentals under ACMI contracts.

Passenger Services. Passenger services expense was $87.1 million for the year ended December 31, 2023, representing a 4.0% decrease from $90.7 million for the year ended December 31, 2022, even with a 27.8% increase in passengers, mainly due to the reduction in expenses associated with on-board service (meals, beverages and food handling) due to the consolidation of the new on-board sales model partially offset by higher flight attendant travel expenses (lodging, per-diem and meals).

Maintenance and Repairs. Maintenance and repairs expense was $167.5 million for the year ended December 31, 2023, a decrease of 4.3% from $175.0 million i for the year ended December 31, 2022. For the year ended December 31, 2023, the maintenance variable costs increased due to incremental operations in terms of departures and block hours, offset by lower expenses related to component leases and exchanges and the recovery of insurance claims from previous years.

Air Traffic. Air traffic expense was $204.6 million for the year ended December 31, 2023, representing a 19.0% increase from $171.9 million for the year ended December 31, 2022, mainly due to higher airport expenses (facilities, customs and immigration and airport systems) and aviation security as a result of a 14.5% increase in departures and a 27.8% increase in passengers transported.

Selling Expenses. Selling expenses were $354.4 million for the year ended December 31, 2023, representing an 8.6% increase from $326.3 million for the year ended December 31, 2022. The increase in selling expenses is primarily due to a 27.9% increase in sales, offset by lower distribution costs.

Salaries, Wages and Benefits. Salaries, wages and benefits expenses were $551.9 million for the year ended December 31, 2023, representing a 25.4% increase from $440.0 million for the year ended December 31, 2022, mainly due to higher operating headcount to service increased capacity in the year ended December 31, 2023 and inflation-related wage adjustments.

Fees and Other Expenses. Fees and other expenses were $233.1 million for the year ended December 31, 2023, representing a 7.1% decrease from $250.8 million for the year ended December 31, 2022, mainly due to lower professional fees related to the Chapter 11 Proceedings and corporate projects.

Depreciation, Amortization and Impairment. Depreciation, amortization and impairment expense was $449.7 million for the year ended December 31, 2023, representing a 34.8% increase from $333.5 million for the year ended December 31, 2022. The increase is mainly due to the incorporation of new aircraft into the Fleet under long-term operating leases as well as conversion of most of our A320 Family Fleet under short term PBH contracts to long-term lease agreements, as described under Rentals above, partially offset by lower amortization of intangible assets

Other Income and Expenses

Interest Expense. Our interest expense was $510.3 million for the year ended December 31, 2023, representing a 28.1% increase from $398.2 million for the year ended December 31, 2022, mainly due to higher lease liability interest expense, due to the conversion of some aircraft from short-term leases to long-term leases, as well as the addition of new aircraft into the Fleet under long-term operating lease agreements.

Interest Income. Our interest income was $48.9 million for the year ended December 31, 2023, representing a 240.3% increase from $14.4 million for the year ended December 31, 2022, mainly due to higher average interest-earning asset balances and higher interest rates.

Foreign Exchange, Net. Foreign exchange net loss of $18.3 million for the year ended December 31, 2023 increased 85.6% from a loss of $9.9 million for the year ended December 31, 2022, mainly due to the devaluation of the Argentine peso in the year ended December 31, 2023, as well as the appreciation in the Colombian peso in the year ended December 31, 2023 related to the monetary position in each currency.

Income Tax Expense. For the year ended December 31, 2023, total income tax expense was $1.9 million, a decrease of 73.7% as compared to a total income tax expense of $7.3 million for the year ended December 31, 2022. For the year ended December 31, 2023, the total income before income tax amounted to $139.9 million resulting in an effective tax rate of 1.4%, which differs from our domestic nominal tax rate of 33%, mainly due to improved operating performance in non-taxable jurisdictions. For the year ended December 31, 2022, we had a net loss before income tax of $313.1 million, resulting in an effective tax rate of (2.3%) due to an improbable likelihood of benefiting from tax loss carry forwards.

Segment Results

The following table summarizes operating revenue and operating income for each of our reportable segments for the periods indicated.

	For the year ended December 31, 2023[1]			
	($ in thousands)			
	Air Transportation	**Loyalty**	**Eliminations**	**Consolidated**
Operating revenue:				
External customers	$ 4,471,420	$ 299,706	$ —	$ 4,771,126
Inter-segment	50,280	3,996	(54,276)	—
Total operating revenue	**4,521,700**	**303,702**	**(54,276)**	**4,771,126**
Operating expenses before depreciation and amortization	3,567,535	189,589	(54,276)	3,702,848
Depreciation and amortization	445,981	23,331	(19,578)	449,734
Operating profit	**508,184**	**90,782**	**19,578**	**618,544**
Interest expense	(469,757)	(40,544)	—	(510,301)
Interest income	45,840	3,074	—	48,914
Foreign exchange	(18,310)	16	—	(18,294)
Equity method profit	1,066	—	—	1,066
Income tax expense	(1,839)	(86)	—	(1,925)
Net income for the period, from continuing operations	**65,184**	**53,242**	**19,578**	**138,004**
Loss from discontinuing operations	(6,654)	—	—	(6,654)
Net income for the period	**$ 58,530**	**$ 53,242**	**$ 19,578**	**$ 131,350**

(1) For the nine months ended September 30, 2024, we have modified the segment presentation in our financial statements to present the results of operations net of inter-segment eliminations, and to change the performance metric from net income to operating income, which is consistent with IFRS 8 paragraph 23. The new presentation focuses on the performance of the segment and departs from a legal entity view. We believe that this segment presentation better reflects the way we manage our business. For the years ended December 31, 2023 and 2022, the Loyalty segment reflected the combined figures corresponding to the LifeMiles legal entities. For the nine months ended September 30, 2024, the Loyalty segment incorporates inter-segment eliminations and the results of other loyalty-related businesses previously presented in the Air transportation segment, such as VIP lounges, Elite benefits and Star Alliance membership.

	For the year ended December 31, 2022[1]			
	($ in thousands)			
	Air Transportation	Loyalty	Eliminations	Consolidated
Operating revenue:				
External customers	$ 3,834,524	$ 213,332	$ —	$ 4,047,856
Inter-segment	9,305	2,873	(12,178)	—
Total operating revenue	**3,843,829**	**216,205**	**(12,178)**	**4,047,856**
Operating expenses before depreciation and amortization	3,477,795	168,617	(12,178)	3,634,234
Depreciation and amortization	318,972	22,715	(8,153)	333,534
Operating profit	**47,062**	**24,873**	**8,153**	**80,088**
Interest expense	(365,490)	(32,759)	—	(398,249)
Interest income	12,604	1,771	—	14,375
Foreign exchange	(9,772)	(85)	—	(9,857)
Equity method profit	523	—	—	523
Income tax expense	(6,962)	(356)	—	(7,318)
Net loss for the period, from continuing operations	**(322,035)**	**(6,556)**	**8,153**	**(320,438)**
Loss from discontinuing operations	(1,856)	—	—	(1,856)
Net loss for the period	**$ (323,891)**	**$ (6,556)**	**$ 8,153**	**$ (322,294)**

(1) For the nine months ended September 30, 2024, we have modified the segment presentation in our financial statements to present the results of operations net of inter-segment eliminations, and to change the performance metric from net income to operating income, which is consistent with IFRS 8 paragraph 23. The new presentation focuses on the performance of the segment and departs from a legal entity view. We believe that this segment presentation better reflects the way we manage our business. For the years ended December 31, 2023 and 2022, the Loyalty segment reflected the combined figures corresponding to the LifeMiles legal entities. For the nine months ended September 30, 2024, the Loyalty segment incorporates inter-segment eliminations and the results of other loyalty-related businesses previously presented in the Air transportation segment, such as VIP lounges, Elite benefits and Star Alliance membership.

Air transportation. Total operating revenue for our air transportation segment increased by $677.9 million, or 17.6%, to $4,521.7 million during the year ended December 31, 2023, compared to $3,843.8 million during the year ended December 31, 2022, mainly due to higher flown capacity of 31.5% and incremental load factor of 82.4%, compared to 81.6% in the prior period. Operating expenses before depreciation and amortization for our air transportation segment were $3,567.5 million for the year ended December 31, 2023, a 2.6% increase as compared to $3,477.8 million for the year ended December 31, 2022, mainly due to the increase in cost generated by the capacity increase partially offset by the implementation of cost efficiency initiatives. Depreciation and amortization for our air transportation segment was $446.0 million for the year ended December 31, 2023, a 39.8% increase as compared to $319.0 million for the year ended December 31, 2022, mainly due to higher Fleet count related to an increase in offered capacity. Operating income for our air transportation segment was $508.2 million for the year ended December 31, 2023, a 979.8% increase as compared to $47.1 million for the year ended December 31, 2022, mainly due to a 17.6% increase in operating revenue partially offset by a 5.7% increase in operating expenses including depreciation, amortization and impairment.

Loyalty. Total operating revenue for our loyalty segment increased by $87.5 million, or 40.5%, to $303.7 million during the year ended December 31 2023, compared to $216.2 million during the year ended December 31, 2022, mainly due to higher mileage redemption. Operating expenses before depreciation and amortization for our loyalty segment were $189.6 million for the year ended December 31, 2023, a 12.4% increase as compared to $168.6 million for the year ended December 31, 2022, mainly driven by higher redemption costs, generated by strong demand for Star Alliance flights, higher labor costs and elite benefits costs. Depreciation and amortization for our loyalty segment was $23.3 million for the year ended December 31, 2023, a 2.7% increase as compared to $22.7 million for the year ended December 31, 2022. As a result, the operating income for our loyalty segment was $90.8 million for the year ended December 31, 2023, a 265.0% increase as compared to $24.9 million for the year ended December 31, 2022.

Quarterly Financial and Operating Data

The following table sets forth our consolidated financial and operating data for the periods presented. The following table should be read in conjunction with the previous section titled "—Results of Operations" and our audited financial statements and condensed interim financial statements, and the notes thereto, included elsewhere in this Exchange Offer and Consent Solicitation Memorandum.

Quarterly Results of Operations

	For the three months ended						
	September 30, 2024	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**
Operating revenue:							
Passenger[1]	$1,192,784	$ 993,534	$ 1,076,807	$ 1,075,268	$ 1,114,805	$ 925,648	$ 892,235
Cargo and Other[2]	173,546	183,012	188,203	212,522	166,678	189,061	194,909
Total operating revenue	**1,366,330**	**1,176,546**	**1,265,010**	**1,287,790**	**1,281,483**	**1,114,709**	**1,087,144**
Operating expenses:							
Aircraft fuel	365,304	352,120	368,231	390,174	367,135	303,659	355,477
Salaries, wages, and benefits	168,145	158,209	174,588	165,406	143,017	123,911	119,596
Ground operations	134,277	129,974	133,248	123,682	124,315	112,152	109,027
Air traffic	67,779	63,915	60,789	48,560	59,738	52,786	43,556
Flight operations	19,617	22,087	29,189	14,621	24,128	25,856	22,475
Passenger services	29,357	24,639	25,925	22,908	25,180	20,887	18,117
Maintenance and repairs	54,420	48,571	49,196	34,193	45,640	39,009	48,690
Selling expenses[3]	91,661	88,652	88,839	83,885	90,832	101,551	78,133
Fees and other expenses	77,690	67,059	62,653	72,515	38,410	63,566	58,593
Rentals	16,769	20,284	26,452	40,424	26,089	34,633	30,322
Depreciation, amortization and impairment[4]	—	—	—	116,505	124,824	111,182	97,223
Depreciation of right of use asset[4][5]	110,521	96,498	86,877	—	—	—	—
Other depreciation and amortization[4][6]	33,474	33,387	24,619	—	—	—	—
Total operating expenses	**1,169,014**	**1,105,395**	**1,130,606**	**1,112,873**	**1,069,308**	**989,192**	**981,209**
Operating income	**197,316**	**71,151**	**134,404**	**174,917**	**212,175**	**125,517**	**105,935**
Interest expense	(146,617)	(135,706)	(129,526)	(133,230)	(145,025)	(119,791)	(112,255)
Interest income	14,082	15,181	16,089	12,634	19,378	10,030	6,872
Net interest expense	**(132,535)**	**(120,525)**	**(113,437)**	**(120,596)**	**(125,647)**	**(109,761)**	**(105,383)**
Foreign exchange, net	1,201	(4,269)	(1,152)	(15,076)	(6,383)	2,548	617
Other financial income	—	—	—	—	—	—	—
Equity method profit	205	404	—	340	191	535	—
Income (loss) before income tax	**66,187**	**(53,239)**	**19,815**	**39,585**	**80,336**	**18,839**	**1,169**
Income tax expense – current	(8,435)	(10,952)	(8,504)	(8,810)	(13,262)	(11,312)	(5,521)
Income (loss) tax expense – deferred	255	1578	1,656	14,796	14,476	7,897	(189)
Total income (loss) tax expense	**(8,180)**	**(9,374)**	**(6,848)**	**5,986**	**1,214**	**(3,415)**	**(5,710)**
Net income (loss) for the year from continuing operation	**58,007**	**(62,613)**	**12,967**	**45,571**	**81,550**	**15,424**	**(4,541)**
Loss from discontinuing operations[7]	—	—	—	—	512	—	(7,166)
Net income (loss) for the period	**$ 58,007**	**$ (62,613)**	**$ 12,967**	**$ 45,571**	**$ 82,062**	**$ 15,424**	**$ (11,707)**

(1) Passenger operating revenue includes (i) ticket revenue, (ii) ancillary revenue, (iii) passenger loyalty revenue and (iv) other revenue, as set forth in the table below:

	For the three months ended						
	September 30, 2024	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**	**September 30, 2023**	**June 30, 2023**	**March 31, 2023**
Passenger:							
Tickets	$ 877,633	$ 706,157	$ 782,911	$ 780,527	$ 811,460	$ 654,879	$ 630,587
Ancillaries	235,905	219,020	229,681	232,106	243,873	207,914	198,332
Loyalty	77,835	67,874	63,196	61,560	58,366	61,957	62,341
Other	1,411	483	1,019	1,075	1,106	842	1,031
Total	**$ 1,192,784**	**$ 993,534**	**$ 1,076,807**	**$ 1,075,268**	**$ 1,114,805**	**$ 925,592**	**$ 892,291**

(2) Cargo and other revenue includes (i) other loyalty revenue, (iii) cargo and courier revenue and (iii) other revenue, as set forth in the table below:

	For the three months ended						
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Cargo and other:							
Loyalty	$ 8,510	$ 8,336	$ 8,773	$ 10,745	$ 6,750	$ 7,496	$ 8,262
Cargo	155,391	165,239	167,122	166,868	155,350	175,296	179,058
Other	9,645	9,437	12,308	34,909	4,578	6,325	7,533
Total	**$ 173,546**	**$ 183,012**	**$ 188,203**	**$ 212,522**	**$ 166,678**	**$ 189,117**	**$ 194,853**

(3) For the three months ended June 30, 2023, selling expenses include $2,694 thousand of impairment recognized in selling expenses associated with other investments, which in our condensed interim financial statements was reclassified to impairment of other investments and assets held for sale.

(4) In 2024, we segregated depreciation, amortization and impairment into the following line items: (i) depreciation of right of use asset, (ii) other depreciation and amortization and (iii) impairment of other investments and assets held for sale. During 2023, depreciation, amortization and impairment includes impairment of other investments and assets held for sale of $1,007 thousand.

(5) For the three months ended March 31, 2023, June 30, 2023, September 30, 2023 and December 31, 2023, depreciation of right of use asset excludes $65,079 thousand, $83,329 thousand, $90,862 thousand and $88,421 thousand, respectively, which were then classified as depreciation, amortization and impairment.

(6) For the three months ended March 31, 2023, June 30, 2023, September 30, 2023 and December 31, 2023, other depreciation and amortization excludes $32,144 thousand, $27,853 thousand, $33,962 thousand and $27,077 thousand, respectively, which were then classified as depreciation, amortization and impairment.

(7) In 2024, we reclassified discontinuing operations corresponding to assets held for sale, previously treated as loss from discontinuing operations, to impairment of other investments and assets held for sale. See "Presentation of Financial and Other Information—Reclassifications."

Quarterly Operating Data

	For the three months ended						
	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Passenger:							
Total passengers (in millions)	9.7	9.2	9.3	9.0	8.5	7.7	6.8
Capacity (in ASKs in millions)	17,123	15,364	15,135	14,881	14,549	13,271	12,005
PRASK (in U.S. cents)	6.5	6.0	6.7	6.8	7.3	6.5	6.9
Passenger CASK ex fuel (in U.S. cents)[(1)]	3.9	3.9	4.0	3.9	3.8	4.0	4.0
Load factor	82.8%	80.8%	81.4%	82.1%	85.5%	81.3%	80.2%
Yield (in U.S. cents)	7.9	7.5	8.2	8.3	8.5	8.0	8.6
Cargo							
Weight of cargo carried (in thousands of metric tons)	125,421	134,922	137,990	141,959	125,712	138,099	133,455
Capacity (in ATKs in millions)	619.8	661.9	663.8	654.4	636.8	693.5	645.9
RATK ($)	0.22	0.23	0.23	0.23	0.22	0.23	0.26
Load factor	63.6%	61.0%	61.1%	64.3%	59.3%	59.9%	60.1%
Cargo yield ($)	0.35	0.37	0.38	0.35	0.37	0.39	0.43

(1) For a calculation of Passenger CASK ex-fuel, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data."

Liquidity and Capital Resources

Overview

Our primary sources of cash are our operating and financing activities. Our primary uses of cash are capital expenditures, payments on our lease liability, as well as principal and interest payments on our long-term debt (including current portion) and short-term borrowings. Our long-term capital needs generally result from the need to add or replace aircraft in our Fleet, which we generally finance through operating and financial leases. We expect to meet all of our operating obligations as they become due through available cash and internally generated funds, supplemented as necessary by revolving credit lines and / or short-term loan facilities.

The table below shows our Gross Debt and Adjusted Net Debt for the dates presented:

	As of September 30, 2024	As of December 31, 2023	As of December 31, 2022
		($ in thousands)	
Short-term borrowings and current portion of long-term debt[(1)]	$ 224,753	$ 206,817	$ 213,043
Current portion of lease liability[(1)]	279,587	269,360	—
Long-term debt[(1)]	2,310,006	2,080,841	3,771,792
Long-term lease liability[(1)]	2,375,508	2,214,592	—
Gross Debt	**5,189,854**	**4,771,610**	**3,984,835**
Cash and cash equivalents (including restricted cash)[(2)]	(913,917)	(783,858)	(816,716)
Short-term investments	(208,422)	(257,553)	(44,843)
Adjusted Net Debt	**4,067,515**	**3,730,199**	**3,123,276**

(1) In our condensed interim financial statements, we segregated (i) current portion of lease liability as a separate line item from short-term borrowings and current portion of long-term debt and (ii) long-term lease liability as a separate line item from long-term debt. As of December 31, 2022, (i) short-term borrowings and current portion of long-term debt comprised $132,630 thousand of current portion of lease liability and (ii) long-term debt comprised $1,464,961 thousand of long-term lease liability.

(2) As of December 31, 2022, cash and cash equivalents includes restricted cash pledged from certain deposit accounts to fulfill collateral requirements of $39,212 thousand. As a result of the reclassification of such account, as of September 30, 2024 and December 31, 2023, restricted cash pledged from certain deposit accounts to fulfill collateral requirements of $19,608 thousand and $16,311 thousand, respectively, were reclassified as deposits and other assets, current and non-current, in our condensed interim financial statements.

As of December 31, 2022, we had cash and cash equivalents of $816.7 million (including $39.2 million of restricted cash), short-term investments of $44.8 million and our long-term debt (including current portion), short-term borrowings and long-term lease liability (including current portion) was $3,984.8 million. 80.0% of our aircraft Fleet was financed under long-term fleet rental contracts capitalized as lease liability on our balance sheet under IFRS 16.

As of December 31, 2023, we had cash and cash equivalents of $783.9 million (including $16.3 million of restricted cash), short-term investments of $257.5 million and our long-term debt (including current portion), short-term borrowings and long-term lease liability (including current portion) was $4,771.6 million. 92.6% of our aircraft Fleet was financed under long-term fleet rental contracts capitalized as lease liability on our balance sheet under IFRS 16.

The increase in our Gross Debt between December 31, 2022 and December 31, 2023 of $786.8 million is mainly explained by the conversion of short-term aircraft lease agreements into long-term contracts capitalized as lease liability on our balance sheet under IFRS 16.

We have significantly improved our ratio of long-term debt (including current portion), short-term borrowings and long-term lease liability (including current portion) minus cash and cash equivalents and short-term investments to Adjusted EBITDAR, from 4.88x as of December 31, 2022 to 3.43x as of September 30, 2024. At September 30, 2024, we had $913.9 million of cash and cash equivalents (including $19.6 million of restricted cash) and $208.4 million of short-term investments, which collectively represents $1,122.3 million, or 22.0% of our total operating revenue for the twelve months ended September 30, 2024.

As of September 30, 2024, we had an outstanding balance of Gross Debt of $5,189.8 million, comprising $2,534.7 million of long-term debt (including current portion) and short-term borrowings and $2,655.1 million in obligations under our lease liability. 94.5% of our aircraft Fleet was financed under long-term fleet rental contracts capitalized on our balance sheet under IFRS 16. The weighted average interest rate of our long-term debt (including current portion) and short-term borrowings as of September 30, 2024 was 9.41%.

As of September 30, 2024, 99.8% of our long-term debt (including current portion) and short-term borrowings was secured by a substantial portion of our assets, including (i) shares of certain of our operating subsidiaries, (ii) security over certain aircraft engines and spare parts, (iii) a lien on the Avianca administrative

building located in Bogotá, Colombia, (iv) security over slots at certain airports, (v) certain credit card receivables, (vi) cash and cash equivalents pledged in deposit or security accounts, (vii) certain intellectual property rights and (viii) all assets of LifeMiles Borrower and its subsidiaries.

We are a holding company and our ability to repay our long-term debt (including current portion) and short-term borrowings and service our lease liabilities is dependent on the generation of cash flow of our subsidiaries and their ability to make cash available to us, through dividends, debt repayment or otherwise.

We believe that our available cash, cash equivalents, short-term investments and cash from operations will be sufficient to satisfy our capital expenditure requirements, rental payments on our lease agreements, as well as principal and interest on our long-term debt (including current portion) and short-term borrowings for the next 12 months. However, our ability to satisfy these requirements will depend on our future performance, which is subject to general economic, financial, competitive, regulatory and other factors, including those described in the "Risk Factors" section of this Exchange Offer and Consent Solicitation Memorandum. If we are unable to generate sufficient cash flow from operating activities in the future, we may have to obtain additional financing. If we obtain additional capital by issuing equity, the interests of our existing shareholders will be diluted. If we incur additional Debt, such Debt may contain significant financial and other covenants that may significantly restrict our operations. There can be no assurance that such financing will be available to us on commercially reasonable terms or at all.

Cash Flows

Our cash flows provided by operating activities are primarily from air transportation and loyalty operations, as well as working capital.

Our investing activities primarily comprise capital expenditures related to aircraft acquisition and pre-delivery payments, maintenance overhauls, fleet incorporations, aircraft modifications and purchases of spare parts and equipment. Furthermore, we purchase highly rated and liquid short-term securities in order to optimize interest income.

Our financing activities primarily comprise payments of principal and interest on long-term debt (including current portion) and short-term borrowings, and rental payments on our lease agreements.

Nine months ended September 30, 2024 and 2023

	For the nine months ended September 30,	
	2024	**2023**
	($ in thousands)	
Net cash provided by operating activities	$ 658,867	$ 754,788
Net cash used in investing activities	(212,166)	(353,944)
Net cash used in financing activities	(319,822)	(486,955)
Net increase (decrease) in cash and cash equivalents	126,879	(86,111)
Exchange rate effect on cash	(117)	640
Cash and cash equivalents at the beginning of the period	767,547	816,716
Cash and cash equivalents at the end of the period[(1)]	$ 894,309	$ 731,245

(1) Excludes restricted cash of $19.6 million and $16.3 million as of September 30, 2024 and 2023, respectively, which was pledged from certain deposit accounts to fulfill collateral requirements. Such restricted cash amounts are presented as Deposits and Other Assets in our consolidated financial statements.

Cash Flows Provided by Operating Activities

Net cash flows provided by operating activities for the nine months ended September 30, 2024 were $95.9 million lower than the nine months ended September 30, 2023, primarily due to $77.4 million of lower net income and $22.0 million of higher net payments for hedging instruments and lower working capital from air traffic

liability, partially offset by $166.0 million of higher working capital from other operating accounts (including trade and other receivables, accounts payable and accrued expenses, frequent flyer deferred revenue and prepayments).

Cash Flows Used in Investing Activities

During the nine months ended September 30, 2024, we used $141.8 million less in net cash flows in investing activities when compared to the nine months ended September 30, 2023. This decrease was mainly due to a $261.3 million net movement of short-term investments (including short-term investments acquisition, short-term investment maturities and interest received), partially offset by $92.3 million in higher acquisition of property and equipment. Furthermore, during the nine months ended September 30, 2023, we received $6.7 million in reimbursements of equipment acquisition in the form of lessor contributions to our maintenance and fleet densification projects, and $31.8 million in proceeds from the sale of property and equipment, which we did not receive during the nine months ended September 30, 2024.

Cash Flows Used in Financing Activities

During the nine months ended September 30, 2024, we used $167.1 million less in net cash flows for financing activities when compared to the nine months ended September 30, 2023, mainly due to $278.5 million of higher proceeds from loans and borrowings, net of amortizations and transaction costs. These higher net proceeds were partially offset by $138.3 million of higher lease payments, primarily corresponding to 12 incremental A320 Family aircraft in our Fleet, one additional A330F and the conversion of short-term to long-term leases on 16 Boeing 787 aircraft in July 2023, whose rental expense was previously recorded in the consolidated statement of comprehensive income.

Years ended December 31, 2023 and 2022

	For the year ended December 31,	
	2023	**2022**
	($ in thousands)	
Net cash provided by operating activities	$ 1,102,414	$ 256,337
Net cash (used in) provided by investing activities	(415,352)	62,620
Net cash used in financing activities	(720,682)	(782,770)
Net decrease in cash and cash equivalents	33,620	(463,813)
Exchange rate effect on cash	762	733
Cash and cash equivalents at the beginning of the year	816,716	1,279,796
Cash and cash equivalents at the end of the year[(1)]	$ 783,858	$ 816,716

(1) Includes restricted cash of $16.3 million and $39.2 million as of December 31, 2023 and 2022, respectively, which was pledged from certain deposit accounts to fulfill collateral requirements.

Cash Flows Provided by Operating Activities

Net cash flows provided by operating activities in 2023 increased $846.1 million when compared to 2022, mainly due to a $53.9 million increase in operating income and a normalization of working capital, related to accounts payable and accrued expenses, among others, compared to 2022 when working capital was negatively impacted due to payments of restructuring expenses that were accrued in 2021.

Cash Flows (Used in) Provided by Investing Activities

During 2023, we used $478.0 million more in net cash flows from investing activities when compared to 2022, as we recorded a $179.2 million increase in purchases of short-term investments (net of short-term investment maturities and interest received), a $16.5 million increase in acquisition of property and equipment and intangible assets and a $58.1 decrease in reimbursements of equipment acquisition in the form of lessor contributions to our maintenance and fleet densification projects. Furthermore, when compared to 2022, during 2023 we received $324.9 million less in proceeds from the sale of property and equipment, primarily because during 2022 we sold and leased-

back aircraft whose corresponding debt payment was recognized as a use of cash flows from financing during that period.

Cash Flows Used in Financing Activities

During 2023, we used $62.1 million less in net cash flows from financing activities when compared to 2022, mainly because in 2022 we incurred $317.7 million in payments of liabilities associated with assets held for sale, in relation to sold and leased-back aircraft whose proceeds were recognized as cash flow from investing activities during the period. This effect was partially offset by $229.1 million of higher lease payments, primarily corresponding to 21 incremental A320 Family aircraft in our Fleet and the conversion of short-term to long-term leases on 16 Boeing 787 aircraft in July 2023, which rental expense was previously recorded in the consolidated statement of comprehensive income. Furthermore, when compared to 2022, during 2023, we incurred $117.7 million in higher payment of loans and borrowings driven by our prepayment of the term loans advanced under the loan agreement, dated as of December 12, 2017 (as amended from time to time), by and among, USAVFlow Limited, as borrower, the guarantors party thereto, Citibank, N.A., as administrative agent and collateral agent, and the lenders party thereto, and $11.7 million in higher interest paid reflecting higher market interest rates.

Capital Expenditures

Historically, a high proportion of our capital expenditures have been used for pre-delivery payments and purchases of spare parts and equipment. We make and expect to continue to make capital expenditures in these areas, as well as maintenance overhauls, aircraft modifications and corporate projects. Capital expenditures in 2023 and 2022 amounted to $238.3 million and $156.5 million, respectively, representing 5.0% and 3.9% of our total operating revenues in 2023 and 2022, respectively. These capital expenditures related primarily to maintenance overhauls and Fleet densification projects. Our expected capital expenditures are $437.8 million in 2024 and $552.9 million in 2025.

We expect to fund our capital expenditures program with a combination of cash flows from operations and additional financing. We cannot assure you that we will generate sufficient cash flow from operations, or that we will have access to external financing sources, to adequately fund such or any future capital expenditures.

Indebtedness

Financial Indebtedness

The table below presents a summary of our Financial Indebtedness as of September 30, 2024:

Instrument	Currency	Interest Rate	Maturity	As of September 30, 2024 ($ in million)
Tranche A-1 Senior Secured Notes[(1)]	USD	9.000%	December 1, 2028	1,111.9
Tranche A-2 Senior Secured Notes[(2)]	USD	9.000%	December 1, 2028	583.9
LifeMiles Credit Agreement[(2)]	USD	SOFR+5.25%	August 28, 2026	377.5
Taca Credit Card Securitization Facility	USD	SOFR+2.16%	December 10, 2030	120.7
USAVFlow II Credit Card Securitization Facility	USD	SOFR+6.50%	September 10, 2029	200.0
2022 Revolving Credit Facility[(3)]	USD	SOFR+4.00%	December 31, 2024	100.0
Accrued interests and other debt				40.7

(1) Concurrently with this Offer and Solicitation, Midco 2 is expected to commence the Concurrent Offering of Refinancing Notes. See "Summary—Recent Developments—Concurrent Offering of Refinancing Notes."

(2) We intend to use the net proceeds from the Concurrent Offering to redeem in full the Tranche A-2 Senior Secured Notes and repay in full the loans under the LifeMiles Credit Agreement in full.

(3) As of September 30, 2024, our 2022 Revolving Credit Facility was fully drawn, with a total outstanding balance of $100.0 million. The 2022 Revolving Credit Facility was fully repaid and terminated on November 26, 2024 and replaced by our Revolving Credit Facility, with an initial aggregate principal amount of up to $200.0 million, which may be increased by an additional $100.0 million through an incremental

facility. As of the date of this Exchange Offer and Consent Solicitation Memorandum, the Revolving Credit Facility remains undrawn. See "Description of Other Indebtedness—Revolving Credit Facility."

For a description of our Financial Indebtedness, see "Description of Other Indebtedness."

Under the indentures governing our Exit Notes (including the Existing Notes prior to the effectiveness of the Majority Amendments and, upon consummation of this Offer and Solicitation, the New Notes), we may incur additional debt, so long as pro forma for such transaction, we would have a fixed charge coverage ratio equal to or greater than 1.1 to 1.0. Under the indenture that will govern the Refinancing Notes, we may incur additional debt, so long as pro forma for such transaction, we would have a Fixed Charge Coverage Ratio equal to or greater than 2.0 to 1.0. For the definition of Fixed Charge Coverage Ratio, see the form of New Notes Indenture attached hereto as Exhibit A. The table below shows our Fixed Charge Coverage Ratio for each of the periods presented:

	As of September 30, 2024	As of September 30, 2023	As of December 31, 2023	As of December 31, 2022
Fixed Charge Coverage Ratio	1.26	1.37	1.39	0.94

We use Adjusted EBITDAR, which will be defined in the New Notes Indenture as Consolidated EBITDAR, for purposes of calculation of the Fixed Charge Coverage Ratios. Adjusted EBITDAR should not be used as a performance metric. The following table presents Adjusted EBITDAR for the periods presented.

	For the twelve months ended September 30, 2024	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022
			($ in thousands)		
Adjusted EBITDAR[1]	$ 1,187,382	$ 855,265	$ 871,365	$ 1,200,788	$ 640,174

(1) Our presentation of Adjusted EBITDAR in this table is consistent in all material respects with the calculation of Consolidated EBITDAR under the New Notes Indenture governing the New Notes. See the form of New Notes Indenture attached hereto as Exhibit A. Adjusted EBITDAR has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for non-IFRS measures. Because Adjusted EBITDAR is not determined in accordance with IFRS, it is susceptible to varying calculations and not all companies calculate it in the same manner. As a result, Adjusted EBITDAR, as presented, may not be directly comparable to similarly titled measures presented by other companies. Accordingly, you are cautioned not to place undue reliance on this information. The following table presents a reconciliation of our net income (loss) to Adjusted EBITDAR for the periods presented.

	For the twelve months ended September 30, 2024[1]	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023	For the year ended December 31, 2023	For the year ended December 31, 2022
			($ in thousands)		
Adjusted EBITDAR Reconciliation:					
Net income (loss) for the period/year	$ 53,932	$ 8,361	$ 85,779	$ 131,350	$ (322,294)
Loss from discontinuing operations[2]	—	—	—	6,654	1,856
Income tax expense (benefit)—deferred	(18,285)	(3,489)	(22,184)	(36,980)	(1,512)
Income tax expense—current	36,701	27,891	30,095	38,905	8,830
Taxes on revenues treated as income taxes locally	3,785	3,514	771	1,042	1,209
Foreign exchange, net[3]	19,296	4,220	3,218	18,294	9,857
Equity method income/profit[4]	(949)	(609)	(726)	(1,066)	(523)
Interest expense[5]	545,079	411,849	377,071	510,301	398,249
Interest income	(57,986)	(45,352)	(36,280)	(48,914)	(14,375)
Depreciation, amortization and impairment[6]	—	—	—	449,734	333,534
Depreciation of right of use asset[6][7]	382,316	293,895	239,270	—	—
Other depreciation and amortization[6][8]	118,557	91,480	93,959	—	—
Impairment of other investments and assets held for sale[2][6][9]	1,007	—	9,348	—	—
Rentals[10]	103,929	63,505	91,044	131,468	225,343
Adjusted EBITDAR	**$ 1,187,382**	**$ 855,265**	**$ 871,365**	**$ 1,200,788**	**$ 640,174**

(1) Adjusted EBITDAR for the twelve months ended September 30, 2024 is calculated as (i) Adjusted EBITDAR for the nine months ended September 30, 2024, plus (ii) Adjusted EBITDAR for the year ended December 31, 2023, minus (iii) Adjusted EBITDAR for the nine months ended September 30, 2023.

(2) In our condensed interim financial statements, loss from discontinuing operations was reclassified as impairment of other investments and assets held for sale. For the nine months ended September 30, 2023, we recorded $6,654 thousand as loss from discontinuing operations, which have been reclassified under impairment of other investments and assets held for sale for such period in the table above, in accordance with the reclassification presented in our condensed interim financial statements. We did not record any loss from discontinuing operations in the fourth quarter of the year ended December 31, 2023.
(3) Foreign exchange, net includes the effect of the period in realized and unrealized exchange rates differences derived from monetary assets and liabilities, considering the functional currency of the Avianca Group, which is the United States dollar.
(4) Equity method income includes the income earned through our investment in not controlled entities.
(5) Interest expense includes interest expense on borrowings, unwinding of the net-present-values discounts on provisions and changes in the fair value of financial assets. Also includes interest on lease liabilities related to aircraft operating lease agreement under IFRS 16.
(6) In our condensed interim financial statements, we segregated depreciation, amortization and impairment into the following line items: (i) depreciation of right of use asset, (ii) other depreciation and amortization and (iii) impairment of other investments and assets held for sale.
(7) For the years ended December 31, 2023 and 2022, depreciation of right of use asset excludes $327,691 thousand and $190,487 thousand, respectively, which were then classified as depreciation, amortization and impairment.
(8) For the years ended December 31, 2023 and 2022, other depreciation and amortization excludes $121,036 thousand and $143,047 thousand, respectively, which were then classified as depreciation, amortization and impairment.
(9) For the years ended December 31, 2023 and 2022, impairment of other investments and assets held for sale excludes $10,355 and $1,856, respectively, which were then classified as follows: (i) $1,007 thousand and nil, respectively, as depreciation, amortization and impairment, (ii) $2,694 thousand and nil, respectively, as selling expenses, and (iii) $6,654 thousand and $1,856 thousand, respectively, as loss from discontinuing operations.
(10) Rentals includes variable rent expense for aircraft and engines, short-term contracts and ACMI leases. Does not include rental expense associated with long-term contracts, which are recorded in depreciation of right of use asset and interest expense.

In addition, the Exit Notes (including the Existing Notes prior to the effectiveness of the Majority Amendments), the Credit Card Securitization Facilities and the Revolving Credit Facility require (and, upon consummation of this Offer and Solicitation and of the Concurrent Offering, the New Notes and the Refinancing Notes will require) that we maintain a minimum Liquidity of at least $400.0 million at the end of any business day. See "Description of Other Indebtedness." The following table shows our Liquidity for the periods presented.

	As of September 30, 2024	As of December 31, 2023	As of December 31, 2022
		($ in thousands)	
Unrestricted cash and cash equivalents ..	894,309	767,547	777,504
Short-term investments	208,422	257,553	44,843
Undrawn Portion of Revolving Credit Facility[(1)]	—	—	—
**Liquidity..... **	**1,102,731**	**1,025,100**	**822,347**

(1) As of the periods presented, our 2022 Revolving Credit Facility was fully drawn, with a total outstanding balance of $100.0 million. The 2022 Revolving Credit Facility was fully repaid and terminated on November 26, 2024 and replaced by our Revolving Credit Facility, with an initial aggregate principal amount of up to $200.0 million, which may be increased by an additional $100.0 million through an incremental facility. As of the date of this Exchange Offer and Consent Solicitation Memorandum, the Revolving Credit Facility remains undrawn. See "Description of Other Indebtedness—Revolving Credit Facility."

As of September 30, 2024, we were in compliance with all financial and non-financial covenants associated with our Financial Indebtedness instruments. However, failure to comply with the covenants in our Financial Indebtedness agreements and Aircraft Leases, or the occurrence of an event of default thereunder, could adversely affect our business, results of operations and financial condition. See "Risk Factors—Risks Related to our Indebtedness, the New Notes and the New Notes Guarantees—Our Financial Indebtedness agreements and Aircraft Leases contain restrictive covenants and events of default that impose significant operating and financial restrictions on us."

Aircraft Leases

Of our 163 aircraft as of September 30, 2024, we leased 156 aircraft, two of which consisted of short-term and variable rent. Our average lease term was 96 months. The following is a summary of the future commitments of Aircraft Leases as of September 30, 2024:

	Aircraft
	In thousands
Less than one year.....	$ 512,312

	Aircraft
	In thousands
Between one and five years	1,909,893
More than five years	1,345,117
	$ 3,767,322

We also have 11 spare engines that are under leases to support our Fleet of A320 Family aircraft. The following is a summary of the future commitments of our engine leases as of September 30, 2024:

	Spare engines
	In thousands
Less than one year	$ 19,073
Between one and five years	58,459
More than five years	42,362
	$ 119,894

New Aircraft and Engine Purchases

In 2015, we entered into an agreement with Airbus for the sale of 88 A320neo aircraft scheduled and 50 purchase options scheduled for delivery between 2025 and 2031. As of September 30, 2024, 15 purchase options were executed.

In accordance with the agreements in effect, our future commitments related to the acquisition of 103 A320 Family aircraft scheduled for delivery between 2025 and 2031 and engines as of September 30, 2024, are as follows:

	Aircraft and engine purchase commitments
	In thousands
Less than one year	$ 380,102
Between one and three years	2,076,634
Between three and five years	2,106,743
More than five years	1,138,665
	$ 5,702,144

The amounts disclosed in the table above reflect certain discounts negotiated with suppliers as of the balance sheet date, which discounts are calculated on highly technical bases and are subject to multiple conditions and constant variations. Among the factors that may affect discounts are changes in our purchase agreements, including order volumes. In addition, the amounts and timing of our actual cash disbursements relating to our aircraft and engine purchase commitments may differ due to our right to offset certain obligations with credits we have against suppliers.

We plan to finance the acquisition of these aircraft and engines with cash from operating activities and/or financing from financial institutions and aircraft leasing companies. The amount and timing of these future capital commitments could change to the extent that: (i) we and the aircraft and engine manufacturers, with whom we have existing orders for new aircraft, agree to modify the contracts governing those orders; (ii) rights are exercised pursuant to the relevant agreements to cancel deliveries or modify the timing of deliveries; or (iii) the aircraft or engine manufacturers are unable to deliver in accordance with the terms of those orders.

Quantitative and Qualitative Disclosures About Market Risk

We are subject to market risks in the ordinary course of our business. These risks include commodity price risk, specifically with respect to aircraft fuel, as well as foreign exchange and interest rate risk. The adverse effects of changes in these markets could pose a potential loss as discussed below. The sensitivity analysis provided does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ. For further discussion of our exposure to these risks, see Note 6 to our audited financial statements and Note 2 to our condensed interim financial statements included in this Exchange Offer and Consent Solicitation Memorandum.

Fuel price risk

Aircraft fuel costs constitute a significant portion of our total operating expenses, representing 34.1% and 37.3%, respectively, of our operating expenses in 2023 and 2022. Historically, international and local fuel prices have been subject to wide price fluctuations and, in some cases, sudden disruptions, based on geopolitical developments and supply and demand as well as market speculation. Fuel prices continue to be highly volatile with market spot prices ranging from a low of $1.92 per gallon to a high of $5.07 per gallon during the period from January 1, 2022 to September 30, 2024.

In July 2024, we entered into swap agreements on crack spreads to mitigate the impact of hurricane season on Gulf Coast jet fuel prices. As of September 30, 2024, our hedging position covered 75% of expected fuel consumption in October. Our philosophy is to not hedge systematically against fuel price risk through financial instruments, but rather to pass-through the underlying fuel cost fluctuations to fares in markets with supportive demand dynamics. We do, however, from time to time, enter into hedging positions through financial derivatives to mitigate specific event risks, such as geopolitical uncertainty or extreme weather events that may negatively impact the fuel supply chain.

Market risk is estimated as a hypothetical 10% increase in the December 31, 2023 cost per gallon of fuel. Based on our 2023 fuel consumption, such an increase would result in an increase to our annual fuel expense of $110.0 million in 2024, not taking into account any derivative contracts.

Foreign currency risk

Our functional currency is the U.S. dollar. Our foreign exchange risk is limited, as most of our obligations, expenses and revenues are denominated in our functional currency, creating a natural hedge. However, we do have material obligations, expenses and revenues in Colombian pesos and other currencies. While we price our tickets in U.S. dollars in many markets in which we operate, volatility in local currencies may still impact the purchasing power of our passengers.

Should our Colombian peso-denominated liabilities exceed our Colombian peso-denominated assets, the depreciation of the U.S. dollar against the Colombian peso could have an adverse effect on our results, because conversion of these amounts into U.S. dollars will increase the loss in foreign currency. In addition, because we conduct business in local currencies in other countries, we face the risk of variations in foreign currency exchange rates. A revaluation or depreciation of the Mexican peso, the Argentine peso, the Brazilian real and/or the Euro could have an adverse effect on us, as a portion of our assets and liabilities are denominated in such currencies.

A reasonably possible strengthening (weakening) of Colombian pesos, Euros, Mexican Pesos, Argentine Pesos and Brazilian Real against all other currency on September 30, 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amount shown below. This analysis assumes that all other variables remain constant and considers the effect of changes in the exchange rate, which is the rate that could materially affect our consolidated statements of comprehensive income (loss). Certain of the currencies listed below have in the past and may have in the future have, a greater impact on our financial results than others.

	Change forecast in exchange rate	Nine months ended September 30, 2024	
Colombian Pesos	(9.0)%	(11,327)	11,327
Euros	1.1%	20	(20)
Mexican Pesos	(16.1)%	(677)	677
Argentine Pesos	(19.5)%	320	(320)
Brazilian Reals	(12.0)%	2,088	(2,088)

Our foreign currency exchange exposure as of September 30, 2024 was as follows:

	September 30, 2024[1]							
	U.S. Dollars	Colombian Pesos	Euros	Mexican Pesos	Argentine Pesos	Brazilian Reals	Others	Total
Cash and cash equivalents	815,946	52,194	6,781	2,292	1,335	2,293	13,468	894,309
Short term Investments	206,276	1,713	—	—	—	—	433	208,422
Trade and other receivables	126,697	67,308	11,049	4,850	3,360	21,954	31,469	266,687
Short-term borrowings and current portion of long-term debt	(224,753)	—	—	—	—	—	—	(224,753)
Current portion of lease liability	(265,583)	(13,183)	—	(821)	—	—	—	(279,587)
Long–term debt	(2,310,006)	—	—	—	—	—	—	(2,310,006)
Long-term lease liability	(2,336,317)	(36,866)	—	(2,325)	—	—	—	(2,375,508)
Accrued expenses	(55,132)	(10,839)	(1,776)	(260)	(15)	(421)	(1,513)	(69,956)
Accounts payable	(387,407)	(186,856)	(17,874)	(7,933)	(3,042)	(6,402)	(12,618)	(622,132)
Net financial position exposure	**(4,430,279)**	**(126,529)**	**(1,820)**	**(4,197)**	**1,638**	**17,424**	**31,239**	**(4,512,524)**

(1) Currencies other than U.S. dollars are translated at the rate in effect on September 30, 2024.

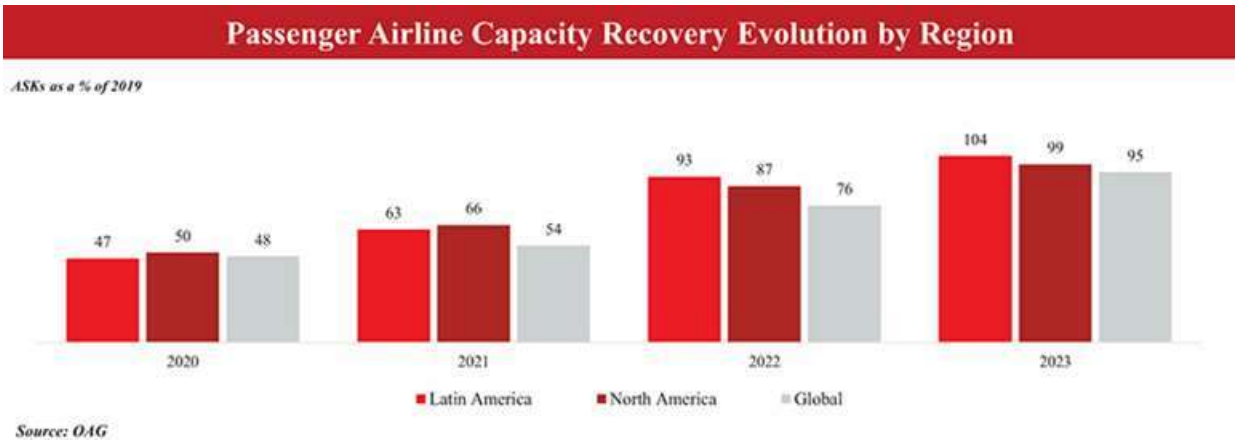
Interest rate risk

We are subject to market risk associated with changing interest rates, due to floating interest rates on certain financial obligations. We believe our variable interest rate risk exposure is limited given that our floating interest rate debt balance as of September 30, 2024 (15.9% of our total outstanding balance of gross debt of $5,189.9 million (gross debt is the sum of short-term borrowings and current portion of long-term debt, current portion of lease liability, long-term debt and long-term lease liability)) is significantly lower than our interest income-generating asset portfolio balance as of the same date (over 95.0% of our $1,122.3 million in cash, cash equivalents and short-term investments, including restricted cash).

History and Recent Trends in the Passenger Aviation Market in Latin America

Historically, the Latin American and Caribbean region has shown the strongest demand growth in the Western Hemisphere, with total RPKs growing at an annualized rate of 7% between 2010 and 2019 (based on IATA information). Today, demand continues to experience strong growth, with RPKs increasing 17% year over year during 2023 and reaching 2019 levels. As of 2023, the Latin American and Caribbean region population stood at approximately 665 million inhabitants (based on the Airbus Global Market Forecast). Notwithstanding strong growth, the Latin American and Caribbean passenger aviation market is highly underpenetrated, with only 0.5x trips per capita as of 2023 (based on the Airbus Global Market Forecast), compared with developed markets like the United States or the European Union with 2.1x and 1.6x, respectively.

Consistent with this, Latin America and the Caribbean has been the region of the world with the fastest passenger aviation capacity recovery to pre-COVID levels: based on OAG information, supply had fully recovered by 2023, reaching 104% of 2019 ASKs. This trend has been stronger in our Core Markets, where capacity has grown faster than the overall Latin American and Caribbean aviation markets to catch up with demand, reaching 118% of 2019 ASKs in 2023. Colombia, our largest market, was one of the first passenger aviation markets globally to experience a full rebound following the onset of COVID-19, with 2023 ASKs reaching 121% of 2019 levels, while our other Core Markets of Central America and Ecuador reached 121% and 103%, respectively.



Growth of Domestic and International Traffic within Central and South America

From 2013 to 2023, domestic and international RPKs within South and Central America increased from 671 billion RPKs to 838 billion RPKs according to Boeing Commercial Market Outlook. Pre-COVID, from 2013 to 2019, RPKs grew at an annualized growth rate of 4%, while Boeing anticipates RPKs will grow at annualized rate of 5% from 2023 to 2043, in line with global growth but faster than other more developed regions like North America and Europe with 2% and 3% expected annualized growth, respectively. The following table shows share of RPKs for South ("SA") and Central America ("CA") air travel for the periods indicated:

RPKs within Intra and Extra South America and Central America(1)

RPKs (Bn) and % of Total

Traffic Flow	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2043
Intra - SA & CA	233	245	253	264	284	293	293	117	160	288	327	861
Extra - SA & CA	438	465	485	513	541	553	553	151	230	451	512	1,244
Total - SA & CA	671	710	737	777	826	846	847	269	390	739	838	2,105
World	6,400	6,846	7,350	7,895	8,501	8,863	8,913	3,092	3,812	6,105	8,282	20,896
% SA & CA	10.5%	10.4%	10.0%	9.8%	9.7%	9.5%	9.5%	8.7%	10.2%	12.1%	10.1%	10.1%

Source: Boeing Commercial Market Update

1) "Intra" refers to flights within region, "Extra" refers to flights to and from the region.

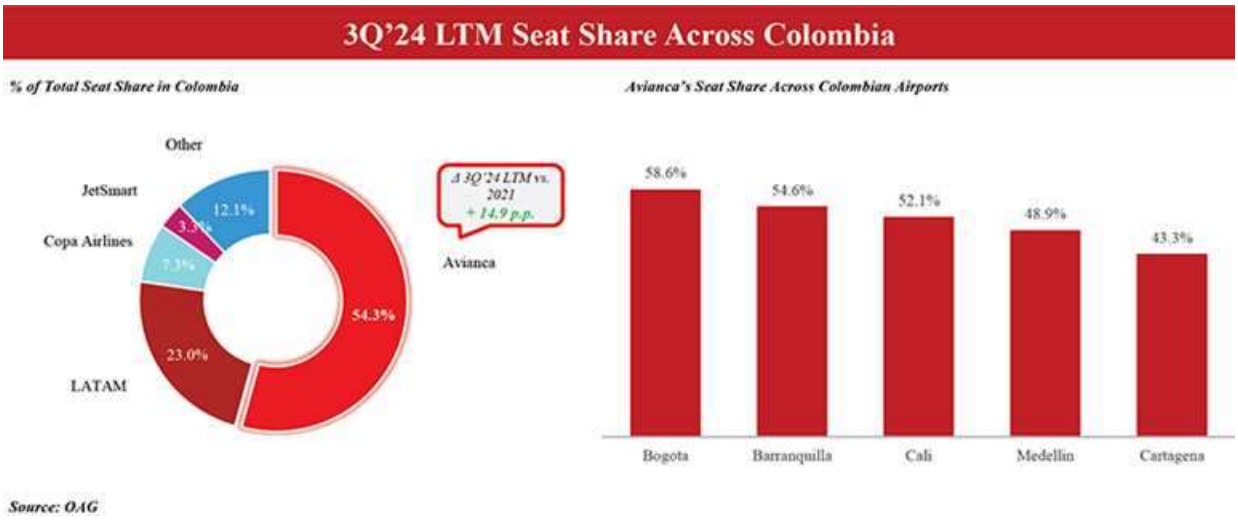
Our Core Aviation Markets

Favorable dynamics for the aviation business are observed across our Core Markets, which comprises Colombia, Central America (which for this purpose consists of Costa Rica, El Salvador and Guatemala), and Ecuador.

Colombia

As of 2023, Colombia, our largest and most relevant market, is the third most populous country in Latin America with an estimated 52 million inhabitants (based on DANE), behind Brazil and Mexico, and the fourth largest economy in terms of GDP, per the IMF's estimates, behind Brazil, Mexico and Argentina. Socioeconomic conditions in Colombia have improved significantly since 2012, with the middle-class growing from 28% to 32% as a share of total population, along with total population increasing 14% during this period. Despite favorable social mobility, GPD per capita in Colombia continues to be relatively low at $6,972, compared to $13,642 and $10,642 for Mexico and Brazil, or to $81,632 and $42,460 for the United States and the European Union, respectively (based on IMF information). Nonetheless, middle-class household income (comprised on average by 2.9 members) was between $6,609 and $35,585 a year (based on DANE information), enabling access to air transportation services for a considerable portion of the population. Additionally, Colombia was the second largest aviation market in South and Central America in terms of passengers, behind Brazil, and the third largest across Latin America, behind Brazil and Mexico (based on the Airbus Global Market Forecast). Similarly, total passenger capacity to and from Colombia, represented approximately 8.1% of Latin America's air passenger transportation capacity, measured in ASKs (based on OAG information), making Colombia the third largest contributor to total capacity in the region.

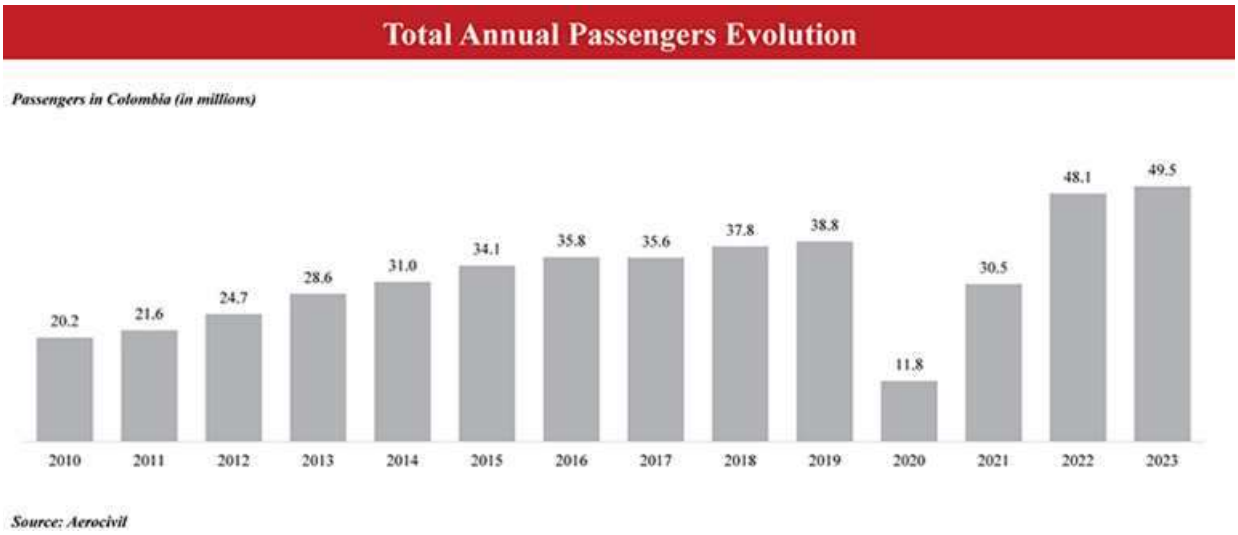
Avianca is the largest passenger airline in Colombia, with a seat share of 54% in the twelve months ended September 30, 2024, according to OAG. There are two other airlines of scale that provide domestic service in Colombia: LATAM and Wingo (a subsidiary of Copa). Additionally, JetSMART, a Chile-based carrier, was recently authorized by Aerocivil to operate domestic routes in Colombia, and in 2023, two Colombia-based airlines, Viva and Ultra, entered liquidation proceedings.



Bogotá, Colombia's capital, and largest urban center is geographically located in the center of the country, while the country's major tourist and industrial centers are spread throughout its territory and along its coastline. Colombia's urban population is distributed across various cities throughout the country, which drives demand for domestic air travel. According to 2023 DANE population estimates, Colombia's main cities other than Bogotá (with approximately 7.9 million inhabitants), include Medellín (2.6 million), Cali (2.3 million), Barranquilla (1.3 million), and Cartagena (1.1 million). We believe that Colombia's predominantly mountainous geography, coupled with what we believe to be an underdeveloped rail and road network, make air travel a convenient, attractive and necessary transportation alternative for both business and leisure travelers. According to the IMF's Road Quality and Mean Speed Score as of 2022, the average speed on Colombian roads is approximately 57 km/h (37 mph) making driving even short distances a much slower option than flying. Further, the lack of infrastructure to connect different regions of Colombia by land and the risks associated with such roads, including landslides, road closures due to poor conditions, and security in certain parts of the country, makes air transportation a safer and more efficient option.

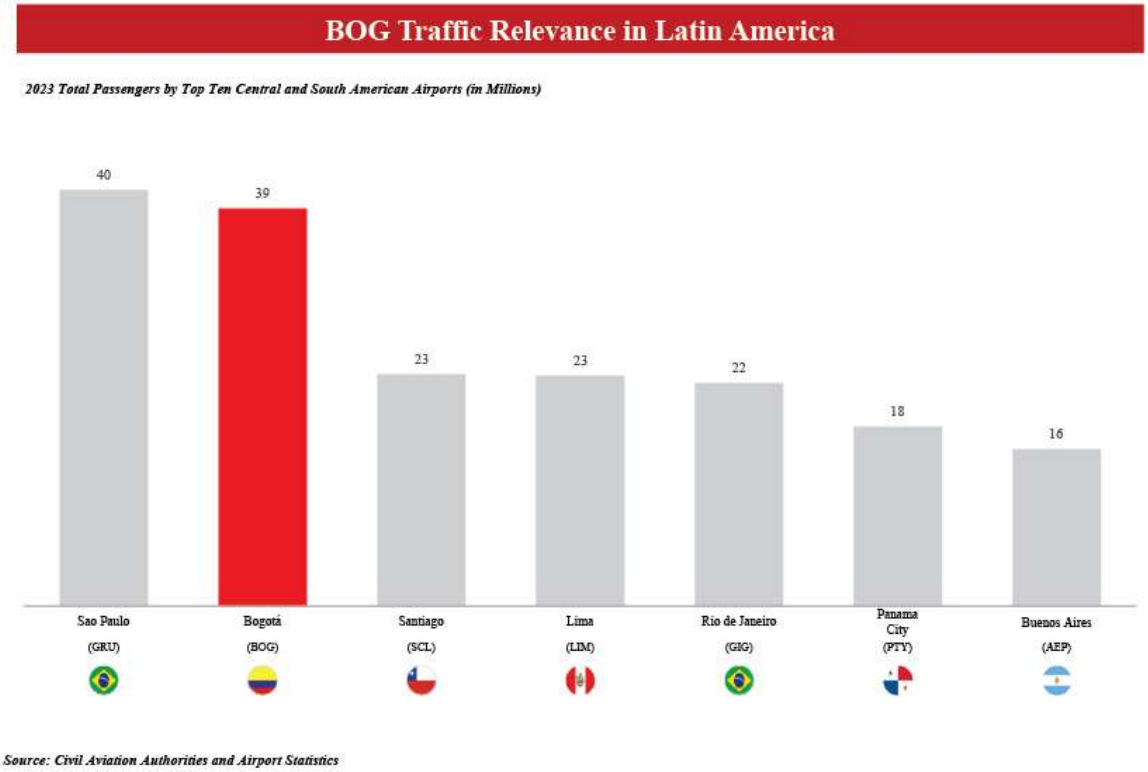
While there has been growth in the region, the market is still largely underpenetrated in comparison to more developed markets. In 2023 trips per capita in Colombia were 0.7x, in comparison to 2.1x in the United States, based on data from the Airbus Global Market Forecast.

From 2010 to 2019, the number of passengers carried in the Colombian aviation market grew at an annualized rate of 8%, while passengers grew 3% year over year in 2023 according to Aerocivil, largely due to reduced capacity after Viva and Ultra ceased operations. According to the Airbus Global Market Forecast, Colombia's passengers are expected to grow at a compounded annual growth rate of 4.4% from 2023 to 2043, compared to the European Union and the United States which are expected to grow 2.6% and 2.0%, per year respectively.



In addition to serving as a domestic hub, BOG serves as a hub for connecting passenger traffic between major North American, South American, Central American and Caribbean markets, and certain cities in Europe. Major Latin American passenger traffic markets that connect through Bogotá include Brazil, Argentina, Mexico, Chile, Peru, Ecuador, Uruguay, Paraguay, Venezuela and Panama. According to BOG statistics, in 2023 BOG was one of the busiest airports in Central and South America with 855 daily passenger and cargo operations.

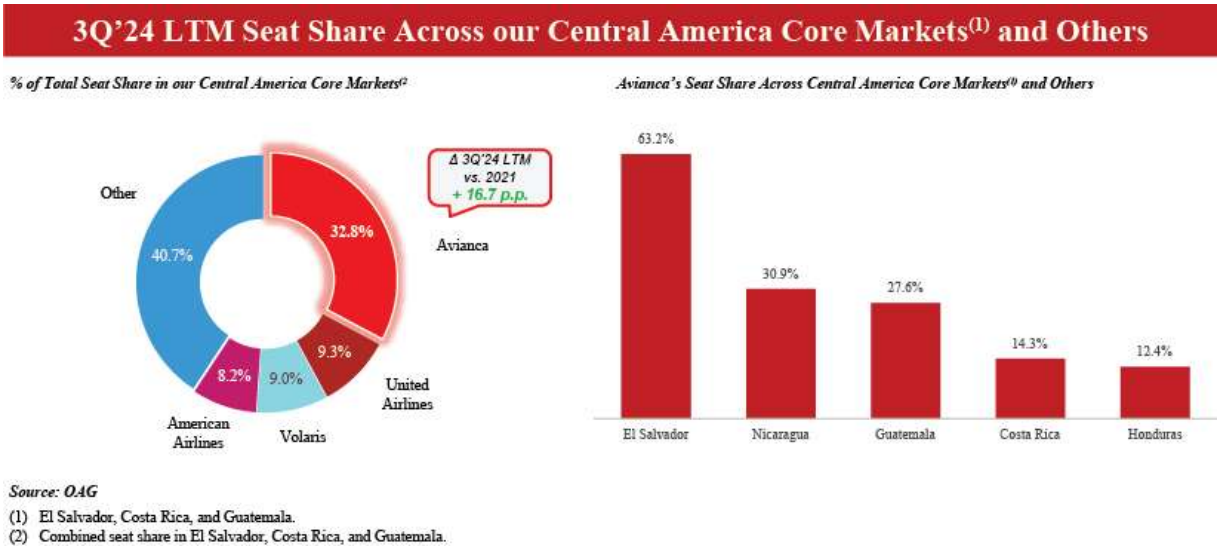
Central America



As of 2023, our Central America Core Markets represent a combined population of 29 million (based on World Bank data) with a range of economic conditions. Costa Rica has the largest GDP per capita with $16,390, while

El Salvador and Guatemala have $5,349 and $5,369, respectively (based on IMF information). Despite relatively low GDP per capita when compared to countries like Mexico and Brazil, total passenger capacity to and from Central America, as measured in ASKs, represented approximately 7% of Latin America and the Caribbean's air passenger transportation capacity, based on data from OAG. We believe a significant percentage of this air travel consisted of air passenger service transportation between the United States and other parts of Latin America, as the only ways of transport other than flying are by land through the Interamerican highway or by navigating either through the Atlantic or Pacific oceans, which is suboptimal.

The Central American aviation market is largely driven by international traffic, especially to and from North America and Europe. According to Boeing Commercial Market Outlook, 45% and 26% of traffic was to and from North America and Europe respectively, measured by RPKs, compared to 20% and 9% of traffic within Central America and to and from South America, respectively, as of 2023. While many international carriers have operations in Central America, we are one of the largest local players in the region alongside Copa and our smaller competitor Volaris. Avianca is the largest provider of passenger air service for our Central America Core Markets of El Salvador, Costa Rica, and Guatemala, as measured by seat share, according to OAG.



Source: OAG

(1) El Salvador, Costa Rica, and Guatemala.
(2) Combined seat share in El Salvador, Costa Rica, and Guatemala.

Based on the Boeing Commercial Market Outlook, from 2014 to 2019, traffic between Central America and North America grew at an annualized rate of 5%, Central America and Europe at 4%, and between South America and Central America at 3%, while Boeing anticipates traffic between these geographies will grow at an annual rate of 4%, 4% and 6% from 2023 to 2043. During the same period, traffic within Central America increased at an annualized rate of 7%, and is expected to grow at an annual rate of 2% between 2023 and 2043. At the same time, Airbus anticipates our Central America Core Markets of El Salvador, Costa Rica and Guatemala to experience a passenger annualized growth of 3.1% from 2023 to 2043.

Traffic Flows Across To, From, and Within Central America

RPKs (Bn)

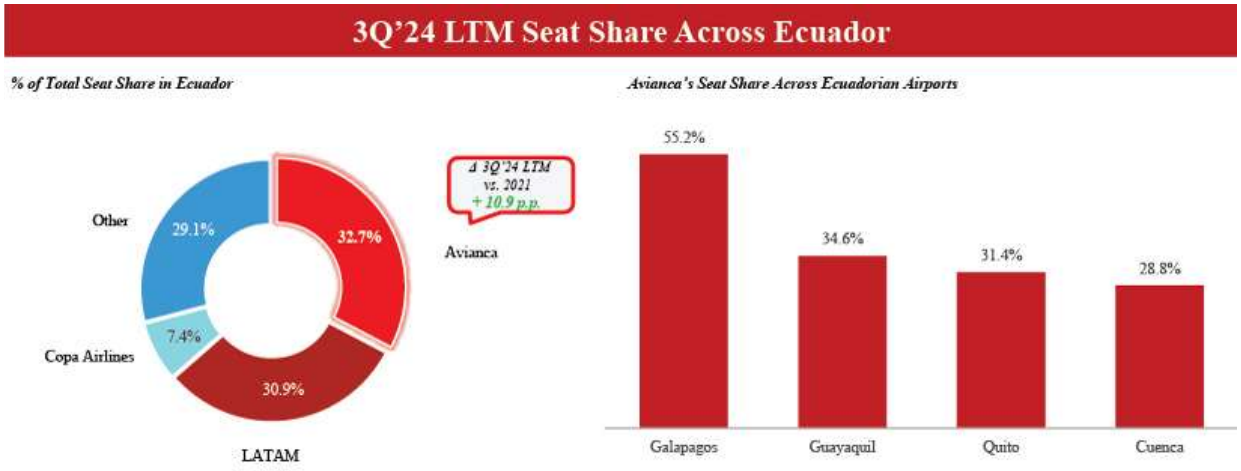
Traffic Flow	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2043
Central America–Central America	43	47	54	57	61	66	66	27	39	78	89	142
Central America–Europe	95	101	111	119	121	122	122	35	50	111	114	244
Central America–North America	149	166	177	191	200	206	207	65	104	175	201	423
Central America–South America	31	34	36	38	41	40	40	8	12	36	41	133
CenAm Total	318	348	377	404	423	434	436	135	204	400	445	942

Source: Boeing Commercial Market Update

Ecuador

As of 2023, Ecuador, our third most relevant market, is the eighth most populous country in Latin America with 18 million inhabitants and a GDP per capita of $6,582 (based on World Bank information). Ecuador has a land area of approximately 256,000 square-kilometers, and borders the Pacific Ocean, Colombia, and Peru. Quito, Ecuador's capital and second largest urban center (with approximately 1.8 million inhabitants), is located in the north of Ecuador. According to the INEC as of 2022, Ecuador's main cities other than Quito include Guayaquil (approximately 2.7 million inhabitants), and Cuenca (approximately 0.4 million inhabitants).

Air travel has become increasingly popular in recent years in Ecuador. From 2000 to 2019, the number of flights in the Ecuador aviation market grew at an annualized rate of 7%, based on data from the World Bank. A significant driver of this growth has been the opening of the current main airport in Ecuador, Mariscal Sucre International Airport, in 2013, replacing a significantly smaller airport and creating a hub for both Avianca and LATAM. Additionally, tourism to the Galapagos Islands is a critical part of the country' economic growth, and air connectivity is essential as the islands are approximately 1,000 km away from mainland Ecuador and cannot be reached by tourist vessels. Avianca has a seat share of 55% for traffic to and from the Galapagos. Airbus anticipates passengers in Ecuador to grow at an annualized rate of 3.6% from 2023 to 2043.



Source: OAG

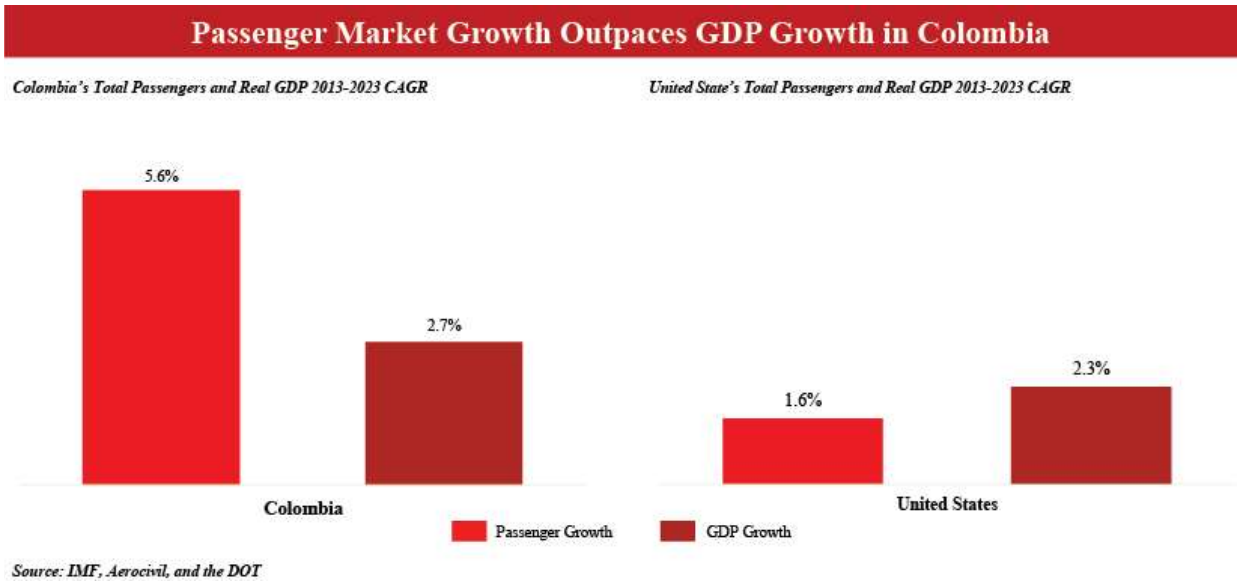
Within Ecuador our only relevant competitor is LATAM. TAME, the former flag carrier for Ecuador, ceased operations in 2020, and has been undergoing liquidation since. Similarly, Equair ceased operations in 2023. As a result of these liquidations, we have been able to improve our presence in the country and increase our market share. We are the largest airline in the country in terms of seat share, with approximately 33% of the market; LATAM followed us with approximately 31% of seat share in the last twelve months ended on September 30, 2024, according to OAG.

Drivers of Latin America Air Traffic Growth

Growth in Latin America passenger traffic is significantly driven by economic expansion in the region, as the market is relatively underpenetrated and GDP per capita growth continues to allow the middle class in the region to expand according to the World Bank. Our Core Markets registered a real GDP annualized growth rate of 3% between 2013 and 2023 per IMF Data.

As GDP has risen, so have trips per capita. For our most relevant Core Market, Colombia, annual domestic trips per person have risen 16% since 2019, based on data from the World Bank and Aerocivil. While having grown substantially, we believe there is still significant room for growth as the number of trips per capita remains significantly lower than in more developed markets.

Since 2013, the aviation market in Colombia has grown at 1.9x the pace of GDP according to data from the IMF and Aerocivil. GDP in Colombia is projected to grow at approximately 3% annually between 2023 and 2029 according to the IMF which, if the historical multiplier of 1.9x were maintained would imply average forward annual passenger growth of approximately 6%.



Other relevant economic indicators that we believe serve as leading indicators for aviation industry growth include private consumption and the export and import of goods and services. According to the World Bank, private consumption in Latin America and the Caribbean has increased by $3.52 trillion from $5.53 trillion in 2013 to $9.05 trillion in 2023, representing an annualized growth of 5%. During the same period, exports in Latin America increased by 35%, from $1.44 trillion in 2013 to $1.95 trillion in 2023, an annualized increase of 3%, while imports grew 29% from $1.67 trillion to $2.16 trillion, or 3% in annual terms.

BUSINESS

Overview

We are a leading group of airlines providing passenger air travel, loyalty and cargo services in South America, Central America, North America and Europe. With our history dating back over 100 years, we believe we are the world's second-oldest air carrier currently in operation.

Throughout our history, we have grown our footprint through the acquisition of airlines in various countries, allowing us to provide broad geographic coverage and connectivity in a region that does not have unified air transport regulation. Today, the *avianca* brand comprises passenger airlines formerly known as TACA (in El Salvador), Lacsa (in Costa Rica), Aviateca (in Guatemala), and Aerogal (in Ecuador), as well as the cargo carrier formerly known as Tampa (in Colombia) and the cargo carrier Aerounion in Mexico, which still operates as Aerounion (in which we hold the majority of the economic interests).

Together, these operations make Avianca the leading airline in Colombia and Central America, operating over 700 daily scheduled flights to 76 destinations in South America, Central America, North America and Europe across 152 routes as of September 30, 2024 (up from 124 and 147 as of year-end 2019 and 2023, respectively) and providing access to over 195 countries through our Star Alliance partners. In Colombia, we are the leader in passenger air travel, with an overall 54% seat share and an even higher seat share of 59% at BOG in Bogotá, the airport with the second-highest passenger count in South and Central America and recognized by OAG as the most connected airport in Latin America, in each case during the twelve months ended September 30, 2024. We transported over 37 million Total Passengers and generated close to 62 billion ASKs during the twelve months ended September 30, 2024, and we believe our Core Markets, which enjoy a convenient tropical location, have a fast growing population, increasing GDP per capita, and are significantly underpenetrated, offer important growth opportunities that we are well-positioned to capture with our domestic, regional, and international flights, including long-haul wide-body service.

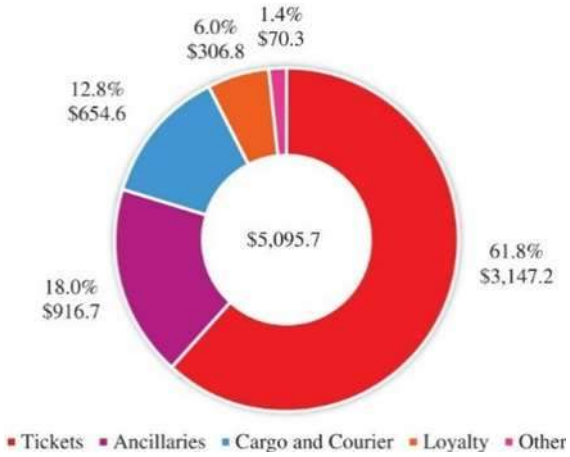
Our cost-efficient business model features the fundamental elements of an LCC with key enhancements to also appeal to premium customers, including business class service on selected routes. Our business model allows us to carefully tailor our offering, enabling us to grow our diverse passenger base, drive sales, expand margin, achieve profitability and generate strong cash flow, while ensuring that we remain a low-cost provider of air transport services and thus reduce our commercial risk. We operate a core passenger business, with an Operating Fleet, as of September 30, 2024, of 146 passenger aircraft that features a narrow-body Operating Fleet of 132 A320 Family aircraft, which we use across all of our routes in the Americas, and a wide-body Operating Fleet of 14 Boeing 787 aircraft (with 13 full-flat and one lie-flat business class seating), which we use principally across 11 long-haul international routes.

We also operate complementary businesses that provide further scale and enhance our overall profitability: LifeMiles, our award-winning loyalty program, is one of the largest in Colombia and Central America, with 14.0 million members, over 300 commercial partners, and 532,000 active co-branded credit cards as of September 30, 2024; and our cargo operation, which is the largest in Colombia and second largest in Latin America, deploys an Operating Fleet of seven freighters (as of September 30, 2024) and synergistically utilizes belly capacity in our passenger aircraft.

In October 2024, we acquired a majority of the economic rights of Wamos Air, a leading Spain-based airline that offers charter and ACMI services with a fleet of 13 A330 aircraft. The Issuer indirectly holds 49.97% of the voting rights and 99% of the economic rights of Wamos Air. As a result, we do not control Wamos Air, which continues to operate independently, subject to a shareholders' agreement that includes certain minority investor protections for the Avianca Group. These protections include the right to appoint two of the company's three directors, one of which shall be independent. The Issuer also retains consent rights over key actions including, but not limited to, (i) changes to the company's organizational documents, corporate form and board composition, (ii) any merger, spin-off, or similar transaction, (iii) changes to the company's securities, including, but not limited to, new issuances of shares and/or bonds, sale of treasury shares or the creation or elimination of securities, (iv) acquiring or investing in any other airline, (v) transactions involving the company's shareholders, and entering into contracts that restrict shareholders' ability to transfer their shares, (vi) the distribution of dividends, and (vii) dissolution of the company. Wamos Air complements our strategic network by providing optionality to expand Avianca's existing global footprint, which we expect to utilize to further facilitate European connectivity. It also diversifies our revenue base with a profitable ACMI

platform that generated €216.6 million in revenue and served over three million passengers across 87 countries, in each case in 2023.

In aggregate, our businesses (not including Wamos Air) generated $5.1 billion in total operating revenue in the twelve months ended September 30, 2024, as follows (dollars in millions):



Our cost-efficient business model is the result of Avianca's transformation since the COVID-19 pandemic. Given the unprecedented impact of the pandemic on the airline industry, we filed for bankruptcy under Chapter 11 in May 2020. When we successfully emerged in December 2021, we benefitted from a significantly stronger financial position, having sustainably lowered our operating costs, significantly reduced our debt and meaningfully increased our liquidity. We optimized our hubs and also expanded our network through additional point-to-point flights across the most highly trafficked routes in our Core Markets. We upgraded and simplified our Fleet and densified our cabins. In addition, we modified our product offerings to be more tailored, allowing us to better serve both low-fare passengers who seek accessible pricing and premium passengers, including business travelers, who value our on-time service, frequencies across our network and our loyalty program. We also transformed our workplace and culture, reinvigorating our operations across all functions, from ticket sales to crew management.

As part of our transformation which began in 2019, we have successfully implemented (and will continue to implement) a number of key strategic initiatives related to our Fleet, network, product offerings and pricing, distribution model, customer engagement and employees, to drive sustainable profitability by increasing operational and capital efficiency and reducing complexity. These initiatives generated approximately $474.0 million in recurring annual cost savings as of 2023, resulting in an approximately 37% reduction in our Passenger CASK ex-fuel from 6.2¢ in 2019 to 3.9¢ in 2023, and include, among others:

- *modernizing and densifying the cabin*—we reconfigured the cabin on our narrow-body aircraft to increase the number of available seats by approximately 20% while maintaining three rows of premium product. We fitted the cabins with the latest in lightweight materials and technology. This reduced our Passenger CASK ex-fuel between 2019 and 2023 by 0.57¢. We also began reconfiguring our wide-body aircraft in April 2024 to increase the number of available seats by approximately 16% while maintaining a full-flat business class, and plan to complete the reconfiguration of our wide-body Fleet during the first half of 2025;

- *optimizing our Fleet*—we streamlined our narrow-body Fleet to comprise only A320 Family aircraft, eliminating two narrow-body aircraft types. Similarly, we reduced and streamlined our wide-body Operating Fleet from 25 aircraft to 13 aircraft at the end of 2023. Our passenger Operating Fleet as of September 30, 2024 is comprised of 132 narrow-body and 14 wide-body aircraft, with an average age of approximately 9.0 years. Simplifying our Fleet has enabled us to optimize procurement, maintenance and training processes. We also renegotiated substantially all of our Fleet contracts to achieve more favorable terms for the remainder of our expected use of the aircraft, including preferred maintenance costs agreements with over 70% of our Fleet remaining

competitive through 2030. These initiatives resulted in reducing our ownership cost per aircraft of our narrow-body Fleet by 23.3% and our wide-body Fleet by 45.0%, in each case from December 31, 2019 to December 31, 2023, and an attractive order book. Altogether, this reduced our Passenger CASK ex-fuel between 2019 and 2023 by 0.34¢;

- *improving utilization by redesigning the route network*—by redesigning our route network we significantly increased our Aircraft Utilization rate by 26%, from 9.1 block hours per day in December 2019 to 11.5 block hours per day in December 2023, currently at 11.4 block hours per day in the twelve months ended September 30, 2024. Increased utilization reduced our Passenger CASK ex-fuel between 2019 and 2023 by 0.22¢;

- *executing several cost reduction initiatives*—which together resulted in a reduction of our Passenger CASK ex-fuel between 2019 and 2023 of 0.86¢, and included:

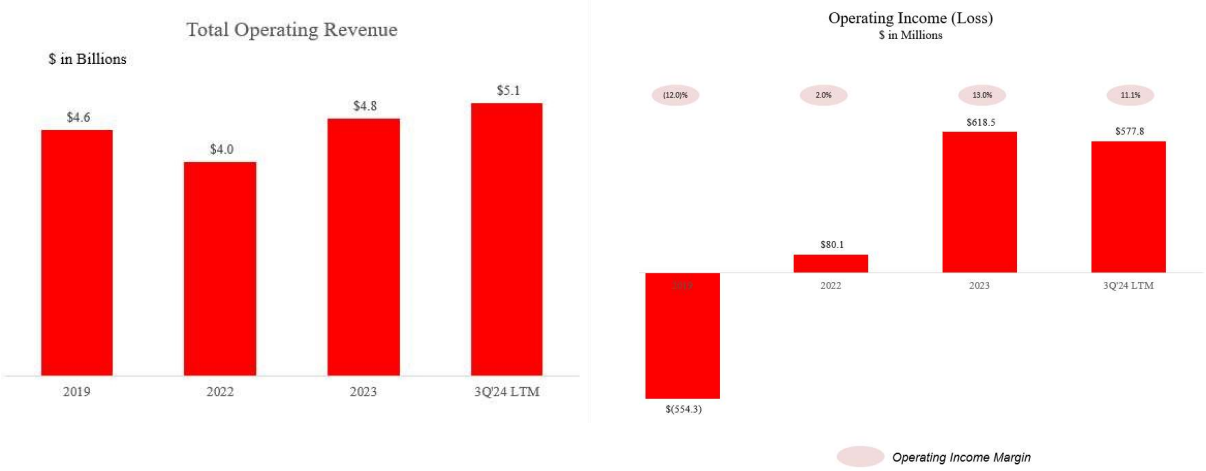
    - *implementing an unbundled strategy*—we unbundled fares to expand our relevance to all persons travelling by air and promoted our new strategy by unveiling our new motto, "*the sky belongs to everyone*". By allowing our customers to pay for just what they value, we foster broader access in our markets to our services. As part of our new unbundled strategy, we implemented a buy-on-board program for passengers to purchase food and beverages during the flight;

    - *optimizing our distribution model*—we shifted the focus of our distribution model to direct channel to maximize revenue at reduced selling costs, thereby increasing the percentage of sales through direct channels from 33.0% in 2019 to 59.0% in 2023. We also renegotiated agreements with distribution partners to not only obtain more favorable terms but also incentivize sales of higher value tickets, thereby improving our margins on sales through indirect channels; and

    - *increasing our productivity*—by redesigning processes and improving efficiency across all areas of the Company, we've successfully increased our productivity (measured in ASKs relative to number of employees) by approximately 52%. Notably, while deploying approximately the same amount of ASKs (54.7 billion in 2023 compared to 54.4 billion in 2019), we've reduced our headcount by approximately 34%, with 13,652 full-time employees as of December 31, 2023 as compared to 20,642 employees as of December 31, 2019. Meanwhile, our voluntary turnover rate has decreased significantly from 9.4% in 2022 to 3.2% during the first nine months of 2024, and we currently retain 92% of talent.

As a result of our transformed business model, we have significantly improved our financial performance, as demonstrated in the comparison of 2019, 2022, 2023 and the twelve months ended September 30, 2024 set forth below (we present 2019 figures herein and elsewhere in this Exchange Offer and Consent Solicitation Memorandum

to improve year-to-year comparability, considering that 2019 was the last full year prior to the outbreak of the COVID-19 pandemic in 2020 and our bankruptcy reorganization in 2021):



Today, we focus our passenger operation on profitability, including by eliminating unprofitable routes, adding new routes that we believe will be profitable and continuously monitoring the uptake on our routes and making adjustments. We are committed to consistently delivering on our customer promise of safe, reliable, affordable, friendly and hassle-free service. We focus LifeMiles on continuing to strengthen its value proposition in a cost-efficient manner and continuing to provide accrual and redemption offerings tailored to match the demands of our loyal members. We focus our cargo operation on a clearly defined product offering with high levels of service designed to satisfy customer needs. We believe our transformed business model improves our resiliency through economic cycles and provides the foundation for sustainable profitability.

Air Travel in Our Core Markets

While the aviation market in each of our Core Markets has proven resilient and has experienced significant growth in passengers relative to GDP growth, we believe that our Core Markets continue to have significant potential for growth. Our Core Markets not only benefit from favorable long-term macroeconomic trends but also remain underpenetrated with respect to both air travel and credit card use. We believe we are well-positioned to capture these significant growth opportunities. Specifically in Colombia, we believe our growth opportunity has been further amplified by the halt of operations of former Colombia-based ULCCs Viva Air ("Viva") and Ultra Air ("Ultra"), which both entered liquidation proceedings in 2023, resulting in unserved passengers, particularly in Medellín where both airlines were based. In addition, Aerocivil granted some of the slots at BOG previously occupied by Viva and Ultra to us, further strengthening our position at our BOG hub, which, combined with the incremental operation declared by Aerocivil at BOG starting in the winter season commenced in October 2023, led us to strengthen our leading position in domestic flights in Colombia. For the nine months ended September 30, 2024, we operated 8.98 billion ASKs in domestic flights in Colombia, a 29.0% increase relative to the same period in 2023, reinforcing our commitment to Colombia's connectivity.

Our Core Markets, with an aggregate population of nearly 100 million, often have challenging terrain conditions with weak highway connectivity and limited-to-no rail or waterway connectivity. As a result, flying is often the more efficient and secure—and in some cases the only—mode to meet basic transportation needs in the regions we serve. We believe that flying with us can in many instances significantly reduce travel time at relatively little incremental cost. For example, in Colombia, an approximately 450 km trip between Bogotá and Medellín takes a median of 10 hours and 30 minutes by bus with a median fare of $27 dollars, while flying takes less than an hour with a median quoted fare of $58 dollars (including taxes). Similarly, an approximately 1,000 km trip between Bogotá and Barranquilla takes a median of 20 hours by bus with a median fare of $64 dollars, while flying takes approximately 1 hour and 5 minutes with a median quoted fare of $64 dollars (including taxes). As a result of both a fast-growing middle-class, which has grown 31% between 2012 and 2023 compared to 14% growth in total population during the same period (based on data from DANE), coupled with lower fares, Colombia has seen an increase of 76% in domestic

air travel and a decrease of 48% in road passengers between 2012 and 2023 (based on data from the Ministry of Transportation). In Central America, the alternatives to connect passengers outside of the region—by road via the Interamerican Highway or by water—are significantly less convenient, safe and efficient. In Ecuador, the most popular tourist destination—the Galapagos Islands—is accessible to tourists only by air. Furthermore, our Core Markets enjoy a convenient tropical location, creating shorter legs in connecting transcontinental and intercontinental flights out of the region, with legs under 6 hours in the Americas and under 10 hours from the Americas to Europe, making us a preferred carrier connecting South and Central America with the world.

Moreover, macroeconomic conditions in our Core Markets are favorable. In 2023, Colombia, Central America and Ecuador saw GDP growth of 0.6%, 5.1% (on a weighted average basis) and 2.3% respectively, according to reported or estimated numbers by the IMF. We believe this stable GDP growth implies a growing passenger base due to increased consumer spending. Moreover, based on forecasts from the IMF, the GDP per capita in our region is expected to grow 4.6% on an annualized basis between 2023 and 2028, compared with Mexico, Brazil, the European Union, and the United States growing 5.6%, 5.4%, 3.6% and 3.6%, respectively. Total GDP in Colombia, Central America, and Ecuador is projected to grow annually at 2.5%, 3.5% (on a weighted average basis) and 1.5%, respectively, for the next five years. Furthermore, according to the World Bank, our Core Markets are set to experience a relatively rapid population growth, with 0.8% annualized growth rate from 2023 to 2028, while Mexico, Brazil, the United States, and the European Union are set to grow 0.7%, 0.5%, 0.5%, and - 0.2%, respectively. Since passenger demand for air travel is highly dependent on macroeconomic conditions and population growth, we believe that these favorable trends in our Core Markets will support further growth of their respective aviation markets.

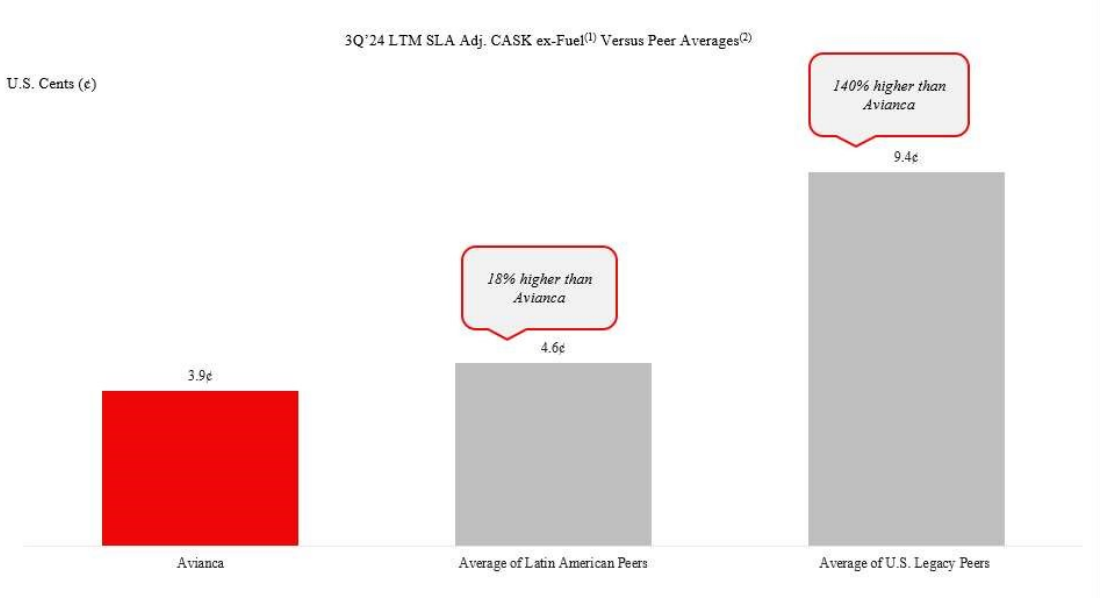
Notwithstanding the strong recovery and favorable macroeconomic conditions discussed above, the number of trips per capita remains low relative to other aviation markets. This suggests ample room for further growth, including by expanding routes to and from El Salvador, which has experienced very favorable domestic economic and social conditions in recent years, and Costa Rica, which remains a strong leisure destination. According to Airbus Global Market Forecast, trips per capita for Colombia, core markets in Central America and Ecuador were 0.7x, 0.2x (on a weighted average basis) and 0.3x, respectively, in 2023, compared to the United States and the European Union with 2.1x and 1.6x, respectively. While relatively low, trips per capita are projected to increase in Colombia, core markets in Central America, and Ecuador to 1.6x, 0.3x (on a weighted average basis) and 0.6x, respectively, by 2043, but remain relatively underpenetrated when compared to the United States and the European Union with 2.9x and 2.8x, respectively. This would equate to approximately 69.1 million new passengers across our Core Markets, going from approximately 50.5 million passengers in 2023 to 119.5 million passengers in 2043. Our Core Markets remain similarly underpenetrated relative to those of other developed and emerging economies with respect to credit cards per capita, which we believe provides ample opportunity for LifeMiles to increase its customer base. In 2023, our most relevant Core Market, Colombia, had an average number of credit cards per adult of approximately 0.4x (based on data from the SFC and the World Bank), compared to approximately 0.8x, 1.2x and 2.2x, in Chile, Brazil and the United States, respectively (based on data from the CMF, the BCB, the FRBNY, and the World Bank).

Our Competitive Strengths

We believe that the following key strengths position us as the airline of choice in our Core Markets and a strong competitor in international aviation markets.

Sustainable optimized cost structure creates competitive advantages

We have structurally transformed our business model with a disciplined approach to CASK. Since our reorganization, we have implemented a number of strategic initiatives to achieve sustainable cost-efficiency, as described above. Our cabin modernization and reconfiguration, fleet optimization, route network redesign, distribution model optimization, unbundled fare strategy and heightened workforce productivity have achieved a more efficient cost structure and improved margins. For example, from 2019 to the twelve months ended September 30, 2024, we decreased our Passenger CASK ex-fuel by approximately 37%, lowering it from 6.2¢ to 3.9¢, which is lower than the average twelve months ended September 30, 2024 CASK ex-fuel (or the equivalent similarly titled measure) of our Latin American Peer Airlines and our U.S. Legacy Peer Airlines on a stage-length adjusted basis by 18% and 140%, respectively, as shown below.



Source: Public company filings

(1) For a reconciliation of total operating expenses to Passenger CASK ex-fuel, see "Summary—Summary Consolidated Financial and Operating Data—Non-IFRS Financial Data." We derived CASK ex-fuel (or the equivalent similarly titled measure) for our Peer Airlines directly from publicly available information for each Peer Airline. Peer Airlines' figures are adjusted to our average stage length during the twelve-month period ended September 30, 2024, of 1,280 kilometers, using each carrier's scheduled average stage length for the period. SLA CASK ex-Fuel = CASK ex-Fuel * (Carrier average stage length / 1,280) ^ (0.5). Stage-length adjustment is a method used in the airline industry to normalize units metrics such as CASK ex-fuel across airlines or periods with differing stage lengths (flight distances), to make them more comparable. However, this method relies on judgment, and different observers may use varying assumptions when determining the common stage length. Passenger CASK ex-fuel is not determined in accordance with IFRS. There is a high degree of variability among the methods of calculating CASK ex-fuel (or the equivalent similarly titled measure) for each of our Peer Airlines. Therefore, Passenger CASK ex-fuel should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS.

(2) Average of Latin American Peers includes Aeromexico, Azul, Copa, LATAM and Volaris and Average of U.S. Legacy Peers includes American Airlines, Delta and United.

Consequently, while we incurred an operating loss in 2019, we generated an Operating Income Margin of 11.1% during the twelve months ended September 30, 2024.

Leading strategic position in Latin America's second largest airport

Our largest hub is BOG (the El Dorado Airport in Bogotá, Colombia), the airport with the second-highest passenger count in South and Central America with 39 million passengers in 2023—only 1 million fewer passengers than São Paulo, Brazil (GRU), the region's most highly trafficked airport, and approximately 1.7x the number of passengers as the next most relevant airport. BOG, which represented 42% of total traffic in Colombian airports in 2023, connects with 22 domestic destinations and 36 international locations. With its strategic geographic location and recognized by OAG as the number one connecting hub in Latin America, we leverage BOG to facilitate and maximize transcontinental connectivity to South and Central America. We had the largest seat share in BOG during the twelve months ended September 30, 2024, 59%, which was 2.7x that of the next largest competitor.

Geographically diversified and expansive route network with a profitable mix of hub and point-to-point routes offers compelling flight options to our customers

In addition to our leading position in BOG, we also have a leading presence across Colombia with leadership in the major cities, including those where we fly internationally such as Medellín (MDE), Cartagena (CTG), Cali (CLO), Barranquilla (BAQ) and Pereira (PEI). Beyond Colombia, we had the largest seat share during the twelve months ended September 30, 2024, with 63%, in our second hub, El Salvador in San Salvador (SAL). SAL serves as a convenient point of connectivity that allows us to facilitate cross-border travel across Central America and between Central America and North and South America and Europe. We also have a leading presence in Quito, Ecuador (UIO).

We offered service to 76 destinations, including every major city in Colombia and over 26 countries in the Americas and Europe as of September 30, 2024. Our optimized route network and cost structure allow us to profitably serve routes that our competitors do not. Additionally, our long-haul service allows us to connect South and Central America with Europe, where we deploy (based on origin and destination) approximately 20% of our ASKs, and North America, where we deploy approximately 35% of our ASKs, through a hub network that includes leading positions at some of the most important airports in the region. For the twelve months ended September 30, 2024, we are the largest non-US carrier by frequencies (including cargo) at John F. Kennedy International Airport (JFK) and the second largest non-US carrier by frequencies (including cargo) at Miami International Airport (MIA), according to DIIO. The rest of our capacity (as measured in ASKs and based on origin and destination) is deployed 17% in domestic Colombia, 18% in South America excluding domestic Colombia, 7% in Central America, and 3% in the Caribbean. When connecting our Core Markets with Europe, we are the only Latin American airline to compete head-to-head with European carriers, holding the second largest seat share in this market with 27%.

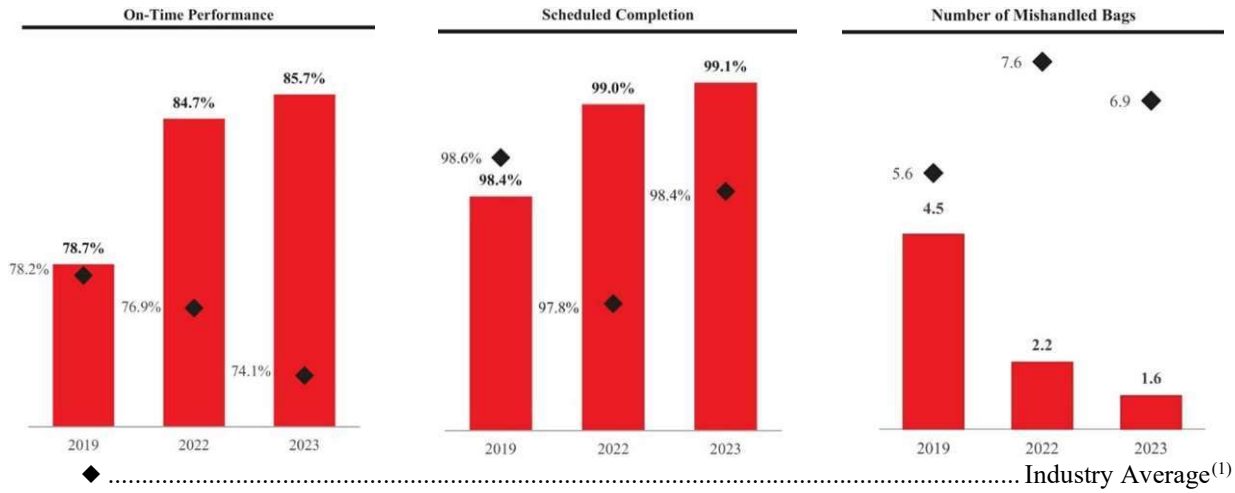
The map below shows our passenger route network as of September 30, 2024:

Our Core Markets are significantly underpenetrated and highly dependent on air connectivity, and as the leading airline in these markets, we are positioned to benefit from growth in air travel in these markets.

Industry-leading operational excellence and a compelling value proposition drive increased customer satisfaction and loyalty

We offer excellent service to passengers traveling to, from and within South America and Central America. We are proud to have been awarded recognition by Cirium as the most on-time global airline in 2023. Our OTP of 85.7% ranked ahead of global and regional airlines such as American Airlines, Delta Air Lines, Iberia, LATAM Airlines and Qatar Airlines. Similarly, we are proud to have achieved in 2023 an industry-leading scheduled completion rate of 99.2%, and a mishandled bag rate of only 1.6 mishandled bags per 1,000 passengers, well below

the industry average of 6.9 in 2023, according to SITA, each significant improvements since 2019 and each superior to the average rate for the industry, as shown in the graphs below:



Source: On-Time Performance and Scheduled Completion as per Cirium, Number of Mishandled Bags based on Company information and SITA.

(1) The industry average for On-Time Performance and Scheduled Completion considers Global Network Airlines as per Cirium's On-Time Performance data for 2019, 2022, and 2023, while Mishandled Baggage industry average is as per SITA's methodology.

We also offer a compelling value proposition to drive customer satisfaction and loyalty. Specifically, we provide a quality customer experience at affordable fares that are selected by our passengers to personalize their travel experience according to the level of service they are seeking. We offer three classes of cabin service, including full-flat and lie-flat business class seats on most of our widebody aircraft and reclining business class seats in selected routes serviced with narrow-body aircraft, and we provide a compelling value proposition to enhance customer satisfaction and loyalty, offering quality experiences at affordable fares that allow passengers to personalize their travel according to desired service levels. Our cabin services are divided into two classes with differentiated fare structures and ancillaries, enabling customers to pay only for what they value. Narrow-body aircraft feature a Business cabin on some routes within the Americas with premium seating, snacks, meals, and amenities, while the Economy cabin offers two seating types: Plus and Economy. Wide-body aircraft provide a Business cabin with mostly full-flat and certain lie-flat seats and enhanced amenities for transcontinental long-haul travel, as well as lie-flat or reclining seats on select American routes and an Economy cabin with Plus and Economy seating options. Simply put, our differentiated fare structure allows customers to pay for just what they value. In addition, we provide point-to-point service to and from multiple major destinations within South America and Central America, and to and from South and Central America to North America and Europe, as well as robust flight scheduling options that allow passengers to travel when they want at convenient schedules. Furthermore, we believe that our order book of 113 A320 Family aircraft which includes up conversion options and contractual deferral rights, along with options to acquire 25 additional aircraft, will allow us to replace and modernize our existing Fleet and facilitate network growth at favorable prices. For more information about the terms of these purchase agreements, see "Management's Discussion and Analysis of Results of Operations—Liquidity and Capital Resources—New Aircraft and Engine Purchases."

We further provide our passengers with access to flights to additional destinations across the globe through codeshare agreements with a number of the largest airlines in the world. Our membership in Star Alliance, a global alliance of 25 airlines and Skytrax's World's Best Airline Alliance for 2023, also improves the overall customer experience for our passengers by providing a broader network, greater connectivity, improved schedule options at diverse price points, loyalty program reciprocity and shared VIP lounge access, in addition to the three international VIP lounges and eight domestic terminal lounges that we operate.

Award-winning loyalty program with valuable co-branded partnerships positioned to capture market growth

LifeMiles, our award-winning, wholly owned loyalty program, is one of the largest (in terms of members) and most recognized loyalty programs in Latin America, particularly in our Core Markets. We had 14.0 million members as of September 30, 2024. We believe our program's scale, network and attractive value proposition make it a loyalty provider of choice for our over 300 commercial partners, including over 100 financial partners, which represented 58% of our gross billings for the twelve months ended September 30, 2024.

We had approximately 532,000 active co-branded credit cards as of September 30, 2024, with nearly all of the leading banks in our Core Markets, including many of the largest financial institutions in each respective country. For the majority of the financial partners with whom we offer co-branded credit cards, we are the exclusive airline-based co-branded credit card partner. Our co-branded credit cards collectively generated over 13% of the credit card payment volume in Colombia in 2023. Our gross billings from co-branded credit card partnerships were $103 million for the twelve months ended September 30, 2024.

We maintain an extensive network of third-party accrual and redemption partners, including some of the world's largest airlines (e.g., Star Alliance carriers, United, Lufthansa, and Gol, among others), representing 16% of our gross billings, hotel portfolios (e.g., Marriott, IHG, Wyndham, Barceló, booking.com and hotels.com, among others), and well-known retail brands (e.g., Adidas, Totto, Attenza, Bosi, Unicomer and Rappi, among others), which combined represent roughly 2% of our gross billings, in each case for the twelve months ended September 30, 2024. Since 2012, LifeMiles is the only Latin American loyalty program to have won a Freddie Award, the most prestigious member-generated award in the travel loyalty industry. In addition to our 14 Freddie Awards, we have also won six Global Traveler Awards.

LifeMiles is a high-margin business, which increases our profitability and diversifies our sources of revenue. In addition, LifeMiles benefits from minimal capital expenditures and favorable working capital dynamics, which allow us to act quickly on market opportunities. LifeMiles also offers us an attractive cash flow cycle, receiving cash inflows from the sale of Miles well in advance of the cash outflows corresponding to the redemption of those Miles.

Our cargo operation, the largest in Colombia and second-largest in Latin America, contributes to our profitability and diversifies our sources of revenue

Our cargo operation, the largest in Colombia and the second-largest in Latin America, serves more than 60 destinations in over 30 countries in the Americas and Europe, deploys an Operating Fleet of seven freighters (as of September 30, 2024) and synergistically utilizes the belly of our passenger aircraft. We typically operate an average of 304 daily frequencies, comprising 279 passenger belly operations and 25 dedicated cargo flights. Our cargo operation contributes to our increased profitability and diversifies our sources of revenue.

Over the past two years, we have transformed our cargo operation market strategy from opportunistic to a targeted long-term offering with a clearly defined product based on four pillars: an optimized network and Fleet, a strong customer value proposition, improved infrastructure and processes and a focus on cost-efficiency. We have redesigned our network and expanded our freighter Fleet to incorporate three additional A330 passenger-to-freighter converted aircraft that will be added in the second half of 2024 and in 2025, of which we added the first in July 2024, resulting in a capacity increase of 60% in our Mexican operations. We are focused on delivering high levels of service that satisfy our customers' needs, including strong customer service support and a 24/7 booking center, an improved payment experience with new online solutions and simplified billing processes, as well as modern warehouses and digital infrastructure enhancements to ensure seamless processes.

We proudly hold the distinction of being the first airline in the Americas to achieve IATA's four CEIV certifications: Pharma, Fresh, Live Animals and Lithium Batteries. Additionally, we were recognized as a top global leader in air cargo logistics for perishables handling by STAT Times, received the ESG Award from the Aviation Achievement Awards in 2023 and were recognized as the Best Cargo Airline in the Americas by Air Cargo News in 2024.

The map below shows our cargo route network as of September 30, 2024.

Profitable growth, meaningful cash flow generation and de-leveraged balance sheet

We have significantly enhanced our operating performance over the last several years as a result of our business transformation, including the sustainable cost initiatives described above. From 2019 to the twelve months ended September 30, 2024, we increased operating revenue by 10.3% and we increased operating income from a loss of $554.3 million to an income of $577.8 million. Our Operating Income Margin was 11.1% for the twelve months ended September 30, 2024, which was a 23.1 percentage points increase from the Operating Income Margin in 2019 and one of the highest among our Peer Airlines. We also generated meaningful cash flow from operations. In 2019, we generated $448.3 million in net cash provided by operating activities, and for the twelve months ended September 30, 2024, we generated $1,006.5 million in net cash provided by operating activities.

We have significantly improved our ratio of long-term debt (including current portion), short-term borrowings and long-term lease liability (including current portion) minus cash and cash equivalents and short-term investments to Adjusted EBITDAR to 3.43x in the twelve months ended September 30, 2024. At September 30, 2024, we had $913.9 million of cash and cash equivalents (including $19.6 million of restricted cash) and $208.4 million of short-term investments, which collectively represents $1,122.3 million, or 22.0% of our total operating revenue for the twelve months ended September 30, 2024. See "Management's Discussion and Analysis of Results of Operations—Liquidity and Capital Resources."

Experienced management team with proven track record and company culture to support growth

Our experienced management team, with an average of 17 years of aviation industry experience, is dedicated to driving operational and financial excellence across the Avianca Group. Frederico Pedreira, our Chief Executive Officer and President, has 16 years of experience in the airline industry and has been instrumental in steering our business' transformation since joining us as Chief Operating Officer in 2021. His leadership has redefined our value proposition, streamlined operations, and optimized fleet structure, ensuring safe, punctual flights and enhancing overall efficiency. Mr. Pedreira has extensive experience across key leadership roles in the airline industry, focusing on business transformation and operational excellence. Mr. Nicolás Alvear, our Chief Financial Officer, brings nearly eight years of expertise within the Avianca Group, where he has played a vital role in enhancing financial strategies and cost discipline. Previously serving as Chief Financial Officer of LifeMiles, Mr. Alvear successfully positioned our loyalty program as a financially solid loyalty program in Latin America. His tenure as our Vice President of Treasury has further solidified our financial stability. Together, Frederico and Nicolás, supported by the broader management team, remain committed to fostering a culture of collaboration and operational efficiency to deliver sustained value for us and our stakeholders.

Business Strategy

Our tailored approach of cost-efficient narrow-body service, coupled with our complementary long-haul wide-body offering, loyalty program and cargo operation, have been key to our financial and operational success. In support of our strategy of continued profitable growth we intend to:

Capture and retain passengers across underpenetrated Core Markets through our differentiated fare structure and operational excellence

In 2023, Colombia was the third largest aviation passenger market in Latin America, based on ASKs, and one of the fastest growing aviation markets in the world in terms of recovery from the pandemic-induced downturn, reaching 121% of 2019 ASKs (according to OAG), and one of the highest expected annualized passenger growth rates for the next two decades with 4.4% (according to Airbus), compared with the European Union and the United States with 2.6% and 2.0%, respectively. Notwithstanding the expected increase in trips per capita from 0.7x in 2023 to 1.6x in 2043, Colombia is underpenetrated when compared to the 1.6x and 2.1x for the European Union and the United States in 2023 and is expected to remain significantly underpenetrated when compared to the 2.8x and 2.9x trips per capita expected in 2043 for the European Union and the United States, respectively (according to Airbus Global Market Forecast). Similarly, despite relatively high annualized passenger growth for the next two decades in our other Core Markets including Central American countries of El Salvador, Costa Rica and Guatemala, and Ecuador with 3.1% (on a weighted average basis) and a 3.6%, respectively, these markets are expected to see continued underpenetration with trips per capita increasing from 0.3x to 0.6x from 2023 to 2043 in the case of Central America and 0.3x in 2023 to 0.6x in 2043 in the case of Ecuador.

Our transformed cost-efficient structure, which allows us to offer accessible fares while maintaining profitability and a highly convenient flight schedule, positions us to capture passenger growth in our Core Markets. To take advantage of these market conditions, we make our low-fare alternatives readily available to our growing passenger base through our directed marketing initiatives, streamlined direct sales processes, and opt-in pricing. We believe that as trips per capita continue to increase both in Colombia and in our wider Core Markets, our expansive network, unbundled offerings and our operational excellence, including high on-time performance, will make us the airline of choice for new and existing customers. Furthermore, we expect our fleet strategy, supported by 113 aircraft on order plus 25 options along with staggered lease maturities, to provide flexibility to capture growing demand and account for potential changing conditions.

Expand our point-to-point network for our narrow-body Fleet to capture growing pools of passengers

We plan to expand our network by adding point-to-point routes to allow our customers to fly directly to the destinations we currently serve. Our cost-efficient model makes our point-to-point routes profitable and has allowed us to maintain an advantage in expanding routes as well as departures over competitors with higher costs. Furthermore, we believe that our order book of 113 A320 Family aircraft representing 75% of our total Operating Fleet, along with options to acquire 25 additional aircraft, will allow us to replace and modernize our existing Fleet and facilitate network growth at favorable prices. We anticipate adding more flights departing from the Colombian cities of Medellín, Cali, and Cartagena, as well as expanding routes across Central America, including to and from El Salvador and Costa Rica. Growing capacity in our Colombian market, including destinations to both North and South America, is one of the most important drivers for growth, where we can leverage our existing sales efforts, customer base and infrastructure. Additionally, we anticipate continuing to capture unserved passengers following the halt of operations of certain former Colombia-based airlines, particularly in Medellín.

Expand our wide-body operations to select profitable routes driven by strong and resilient VFR traffic

Our wide-body operations primarily serve our European destinations, carrying resilient VFR and premium business traffic. In 2023 we had the largest seat shares on key non-stop service routes to Europe, such as Bogotá-London, Bogotá-Madrid, Cali-Madrid and Medellín-Madrid with 100%, 43%, 100% and 41%, respectively, while we also had a leading seat share in key routes within the Americas. Furthermore, we plan to drive more connecting traffic between South and Central America, and Europe. To achieve this growth, we plan to add two new Boeing 787 wide-

body aircraft between 2024 and 2025 and five new A350 wide-body aircraft between 2027 and 2029, which will bring our Operating Fleet of wide-body aircraft to 19.

Grow LifeMiles through increased credit card spending and subscription products in our underpenetrated Core Markets, as well as through new cards in the United States

We currently capture a significant portion of credit card spend in our Core Markets. In 2023, our co-branded credit cards represented over 13% of the credit card payment volume in Colombia, and our co-branded credit cards portfolio continues to represent a meaningful portion of our partner bank credit cards. However, the credit card markets in our Core Markets remain considerably underpenetrated relative to those of other developed and emerging economies. For example, in 2023, the average number of credit cards per adult in Colombia was approximately 0.4x (based on data from the SFC and the World Bank), compared to approximately 0.8x, 1.2x and 2.2x, in Chile, Brazil and the United States, respectively (based on data from the CMF, the BCB, the FRBNY, and the World Bank). We plan to strengthen our relationship with leading financial institutions in our Core Markets to continue leveraging growth in credit card penetration and growing payment volumes. At the same time, we plan to aggressively grow Club LifeMiles, our subscription product designed for our Core Markets, in part through cross-selling to co-branded credit card users. Our four Club LifeMiles subscription options charge a monthly fee in exchange for a fixed number of Miles. The subscriptions also include a multiplier on co-branded credit card accruals and discounts on redemptions with Avianca or our air partners, among other attractive benefits.

Additionally, LifeMiles has grown substantially in recent years in the United States, primarily as a result of Miles transfers from partner financial institutions such as American Express, Citibank, and Capital One. Moving forward we expect to continue this growth, supported by not only new co-branded credit cards launched in the United States in May 2024, but also a set of subscription offerings in the United States collectively called "LifeMiles +". These subscriptions complement the attractive value proposition of our co-branded credit cards in the United States with an accrual multiplier, discounts on redemptions with Avianca or our air partners and exclusions from certain redemption-related fees. We believe we are well-positioned for growth in the U.S. market targeted at sectors that travel to South and Central America.

Driving margin expansion through operational initiatives and continuing to refine and optimize our product offering

We plan to further advance our operational streamlining initiatives to further drive margin expansion. We expect to achieve these by continuing, among other initiatives, to improve our itinerary design as we leverage our strong operational performance, making our on-ground aircraft turnaround times shorter and benefiting our passengers and cargo customers with outstanding punctuality; to promote self-service to reduce check-in times, minimize customer service intervention and further augment customer satisfaction; to enhance our business class flying experience to drive our premium revenue higher, including through the reintroduction of business class offerings in 35 select routes operated with our narrow-body aircraft by 2025, currently having launched service across 11 routes, as well as the launch of our *Insignia* business class offering on wide-body routes to and from Europe; to strengthen fuel conservation procedures; to further improve our operational labor productivity; and to boost direct sales by implementing technological initiatives. We are nimble and are continuously adjusting our network and product offerings to take advantage of margin accretive opportunities that we identify.

Our Services

Our Passenger Operation

We provide flexible and cost-efficient airline service primarily to leisure and VFR travelers. Our cost-efficient business model features the fundamental elements of an LCC with key enhancements to also appeal to premium customers. Our core passenger operation, with an Operating Fleet of 146 aircraft as of September 30, 2024, features a narrow-body Fleet of 132 A320 Family aircraft which we use across substantially all of our routes in the Americas, and a wide-body Fleet of 14 Boeing 787 aircraft (13 full-flat and one lie-flat business class seating), which we use principally across 11 long-haul international routes. Our passenger operation is reported in our air transportation segment.

We provide domestic flights in Colombia and, to a lesser extent, Ecuador, as well as international flights, including long-haul wide-body service, out of Colombia and Central America. Following the redesign of our business model, ancillary revenues have become increasingly significant for us. By unbundling our fares, we allow our customers to pay for just what they value, enhancing the overall customer experience, while also contributing significantly to our bottom line. With our renewed emphasis on ancillary services, we believe that we are better positioned to adapt to evolving market dynamics and capture additional value from each customer interaction. This shift underscores our commitment to maximizing revenue opportunities while simultaneously delivering exceptional value to our passengers. Our passenger operation is complemented by LifeMiles, our single, unified award-winning loyalty program, which is one of the largest in Colombia and Central America, with 14.0 million members, over 300 commercial partners, and approximately 532,000 active co-branded credit cards as of September 30, 2024.

Our passenger operating revenue represented 85.7%, 84.2%, 84.0% and 77.4% of our total operating revenue for the nine months ended September 30, 2024 and 2023 and the years ended December 31, 2023 and 2022, respectively. Ancillary revenue represented 21.0%, 22.2%, 22.0% and 18.8% of our passenger operating revenue and 28.9%, 31.0%, 30.7% and 24.4% of ticket revenue, in each case for the nine months ended September 30, 2024 and 2023 and the years ended December 31, 2023 and 2022, respectively.

Our Cargo and Other Operation

Our cargo operation (which we report in our air transportation segment), is the largest in Colombia and second largest in Latin America, and deploys an Operating Fleet of seven freighters (as of September 30, 2024) and synergistically utilizes belly capacity in our passenger aircraft. Our cargo operation facilitates shipments to destinations spanning Latin America, the United States, and Europe, encompassing air mail, air freight, and air express services. Additionally, our revenue portfolio includes courier transportation services for small parcels on a door-to-door basis, with defined transit time commitments.

Our cargo and other operating revenue represented 14.3%, 15.8%, 16.0% and 22.7% of our total operating revenue for the nine months ended September 30, 2024 and 2023 and the years ended December 31, 2023 and 2022, respectively.

Our Passenger Fares and the Choices We Offer

We offer four fare options, consisting of three in economy class and one in business class. These four fares, in addition to making the purchase process easier, are designed to meet the needs of a variety of different types of travelers. Our fare structure is based on simplicity and flexibility, which we believe translates into better prices for customers while allowing them to personalize their travel. Our flexible fare structure also allows us to optimize our ancillary revenue.

The table below sets forth our four fare options.

Fare Class	Included Features
Basic/Light[(1)]	•1 personal item •1 10 kg carry-on bag (Europe and Brazil only) •Check-in: Web/App/Kiosk
Classic	•1 personal item •1 10 kg carry-on bag •1 23 kg checked bag •Check-in: Web/App/Kiosk and airport counters •Economy seat selection •LifeMiles accrual

Fare Class	Included Features
Flex	•1 personal item •1 10 kg carry-on bag •1 23 kg checked bag •Check-in: Web/App/Kiosk and airport counters •Plus seat (if available) •LifeMiles accrual •Changes and refunds before the flight
Business[2]	•1 personal item •1 10 kg carry-on bag •2 23 kg checked bags •Check-in: Web/App/Kiosk and airport counters •Business Class seat •LifeMiles accrual •Changes and refunds before the flight •Priority counter service •Priority boarding •Priority baggage delivery •Access to Avianca VIP lounges •On-board food and beverage

(1) Basic in Americas; Light in Europe, Brazil, or on other selected routes in the Americas.

(2) Within the Americas we offer Business Class on routes operated on wide-body aircraft as well as select routes operated on narrow-body aircraft. Business Class is available on all our flights to and from Europe and Brazil.

Our flights to Europe also offer our *Insignia* Business Class experience with a menu created by the chef and owner of El Chato restaurant, located in Bogotá and selected in 2023 as one of the best by The World's 50 Best Restaurants. Business class passengers also receive an amenity kit including products from the Colombian Loto del Sur brand and collectible sustainable Mola Sasa cases made from recycled PET plastic designed in collaboration with women from the Gunadule Colombian indigenous community.

In addition to our fares, we offer our customers more than 16 ancillary services, including seats and upgrades, baggage, changes and fees, other air ancillaries and non-air ancillaries. Within the Americas, we also offer a buy-on-board food and beverage program in all fare classes other than Business Class.

Route Network

As of September 30, 2024, we operated over 700 daily scheduled flights to 76 destinations in North America, Central America, South America and Europe. Our network combines strong point-to-point service from and to different major destinations in North America, Central America, South America and Europe with strategically located hubs in BOG and SAL. We also provide our passengers with access to flights to 150 additional destinations worldwide through codeshare agreements with the following partner airlines: Air Canada, Air China, Air India, All Nippon Airways, Azul, Clic, Copa, Emirates, Etihad, EVA Airways, GOL Linhas Aéreas, Iberia, ITA, Lufthansa Group, Silver Airways, Singapore Airlines, TAP Portugal, Turkish Airlines and United. Our membership in Star Alliance since 2012 has increased the reach of our loyalty program, granting our clients access to more than 1,200 airports in 195 countries with 16,000 daily flights and more than 1,000 VIP lounges throughout the world, as well as mileage accruals and redemptions with Star Alliance's 25 carrier members.

We provide domestic and international point-to-point service between destinations in North America, Central America and South America, as well as Europe. Since 2021, we have focused on increasing our number of point-to-point routes in order to provide greater convenience to our customers. In 2023 we launched 19 new point-to-point routes, and as of September 30, 2024, 66 of our 152 routes were point-to-point.

We also connect city pairs with lower passenger traffic through our hubs, which allows us to build density on our flights and serve these destinations with a higher frequency. We believe that this mixed model allows us to efficiently allocate our resources among high and low-traffic destinations.

For international connections at our hubs, we operate a morning bank, an evening bank and a midday bank of flights, with flights timed to arrive at the corresponding hub at approximately the same time and to depart a short time later. These banks allow us to provide more frequent service to many destinations, allow some passengers more convenient connections and increase the flexibility of scheduling flights throughout our route network. In our domestic operations, we utilize a "rolling hub" system whereby our inbound and outbound connecting flights operate throughout the day, instead of during designated time banks.

Bogotá Hub

As of September 30, 2024, we operated approximately 4,214 weekly scheduled flights through our BOG hub to 23 destinations in Colombia, eight in North America, 15 in South America, 10 in Central America and the Caribbean and four in Europe. In 2023, we transported 22.3 million passengers through BOG, on 144,756 flights to 60 destinations.

San Salvador Hub

Our SAL hub principally connects passengers from different destinations in North America, Central America and South America. As of September 30, 2024, we operated approximately 605 weekly scheduled flights through San Salvador to 13 destinations in North America, four in South America, seven in Central America and one in Europe. In 2023, we transported 3.1 million passengers through SAL on 19,560 flights to 25 destinations.

San José, Costa Rica

Our San José network principally connects passengers from different destinations in South America and Central America. As of September 30, 2024, we operated approximately 139 weekly scheduled flights through our network in San José to four destinations in South America, one in North America and four in Central America. In 2023, we transported 1.2 million passengers through Costa Rica, on 5,155 flights to 12 destinations.

Guatemala

As of September 30, 2024, we operated approximately 162 weekly scheduled flights through our network in Guatemala to one destination in South America, six in Central America and four in North America. In 2023 we transported approximately 0.9 million passengers through La Aurora International Airport (GUA) on 4,847 flights to 11 destinations.

Ecuador

As of September 30, 2024, we operated approximately 403 weekly scheduled flights through our network in Ecuador to six destinations in Ecuador, three in South America, two in Central America and two in North America. In 2023 we transported approximately 2.5 million passengers through Guayaquil and Quito on 15,166 flights to 14 destinations.

The following tables set forth information regarding the number of Revenue Passengers (in thousands) we carried in each region for the periods indicated (considering destination):

	For the nine months ended September 30,			
	2024		2023	
	($ in thousands)			
Region:				
Colombia	15,413	56.1%	12,371	55.4%
North America[1]	2,390	8.7%	2,017	9.0%
Central America & Caribbean	3,389	12.3%	2,507	11.2%
South America (excluding Colombia)	5,842	21.3%	4,999	22.4%
Europe	456	1.7%	433	1.9%
Total	27,490	100.0%	22,326	100.0%

(1) Includes the United States, Canada and Mexico.

	For the year ended December 31,			
	2023		2022	
	($ in thousands)			
Region:				
Colombia	17,404	55.9%	14,451	59.4%
North America[1]	2,715	8.7%	2,005	8.2%
Central America & Caribbean	3,584	11.5%	2,437	10.0%
South America (excluding Colombia)	6,859	22.0%	4,961	20.4%
Europe	569	1.8%	455	1.9%
Total	31,131	100.0%	24,309	100.0%

(1) Includes the United States, Canada and Mexico.

The following tables set forth ASKs (in millions) in each region for the periods indicated (considering destination):

	For the nine months ended September 30,			
	2024		2023	
	($ in millions)			
Region:				
Colombia	9,036.0	19.0%	6,955.9	17.5%
North America[1]	8,542.1	17.9%	7,178.8	18.0%
Central America & Caribbean	6,737.2	14.1%	4,955.7	12.4%
South America (excluding Colombia)	19,202.6	40.3%	16,862.2	42.3%
Europe	4,103.9	8.6%	3,872.7	9.7%
Total	47,621.8	100.0%	39,825.3	100.0%

(1) Includes the United States, Canada and Mexico.

	For the year ended December 31,			
	2023		2022	
	($ in millions)			
Region:				
Colombia	9,772.1	17.9%	8,427.1	20.3%
North America[1]	9,938.1	18.2%	7,267.1	17.5%
Central America & Caribbean	7,083.3	12.9%	4,964.0	11.9%
South America (excluding Colombia)	22,705.8	41.5%	16,916.3	40.7%
Europe	5,206.8	9.5%	4,021.3	9.7%
Total	54,706.1	100.0%	41,595.9	100.0%

(1) Includes the United States, Canada and Mexico.

LifeMiles

Launched in March 2011, our wholly-owned loyalty program LifeMiles enhances our brand recognition by providing superior customer service through member engagement and a favorable Miles-to-rewards ratio. We believe that our LifeMiles program has fostered loyalty to Avianca, with 14.0 million members as of September 30, 2024. With 14 Freddie Awards, LifeMiles is one of the most awarded programs in the Americas since 2013 and the only Latin American loyalty program to have won a Freddie Award since 2012. LifeMiles' over 300 commercial partners include retail stores in core markets such as Colombia and Central America, where members can earn and redeem their Miles at the point of sale. These local coalitions strengthen engagement with members and allow members to earn Miles on a higher percentage of their monthly spending. In addition, members using a co-branded credit card to pay for merchandise within the coalition can "double dip" (earn Miles on their credit card and earn Miles through the retailer) on the same transaction. As of September 30, 2024, approximately 532,000 co-branded credit cards were active. In addition to accelerated program growth and increased presence of both the *avianca* and LifeMiles brands in the day to day lives of our members, our coalitions create increased demand for co-branded credit cards, as well as other LifeMiles products such as "Multiply Your Miles" and "Club LifeMiles."

LifeMiles contributes to the strength of our airline business in key commercial markets and supports yields through Miles-based voluntary up-sell incentives. LifeMiles generates revenue through the commercialization of Miles, many of which we sell to banks. As of September 30, 2024, we had 28 co-branded credit card partner banks, and Miles conversions agreements with approximately 85 financial institutions.

LifeMiles' expenses can be grouped into reward costs and overhead costs. Reward costs represented 80.8% and 78.9% of LifeMiles' cost base in the nine months ended September 30, 2024 and 2023, respectively, and the primary reward cost is airline tickets, in which LifeMiles is required to pay Avianca for tickets redeemed by LifeMiles' members to fly on Avianca or any of our air partners. Other reward costs include hotel nights, rental cars, tours and merchandise via the LifeMiles rewards catalog and directly in our retail partners' stores, among others. Overhead costs include, but are not limited to, marketing, operational and information technology costs and salaries.

LifeMiles' business model provides strong operating margins, positive working capital and minimal capital expenditure requirements, which provides a unique ability to gain scale quickly. This business model includes an attractive cash flow cycle, receiving cash inflows from the sale of Miles well in advance of the cash outflows corresponding to the redemption of those Miles, making it possible for LifeMiles to earn interest on its cash balance. In addition, LifeMiles' unit costs are largely contracted with its main partners for extended periods, providing visibility and stability to a significant portion of its total costs and gross margins.

Since the program's inception, LifeMiles members have generally demonstrated a willingness to pay higher average fares than those paid by non-members. We believe this is in part because of high customer satisfaction, increased passenger loyalty and because many of our business travelers, who frequently purchase more expensive, last-minute tickets, are typically also LifeMiles members. LifeMiles' gross billings were $212.1 million for the nine months ended September 30, 2024, $244.9 million and $203.3 million in 2023 and 2022.

The following table sets forth certain operating statistics for LifeMiles:

	For the nine months ended September 30,		For the year ended December 31,	
	2024	2023	2023	2022
Gross billings[(1)] (in millions of $)	212.1	174.2	244.9	203.3
Total members (in millions)	14.0	12.4	12.7	11.7

(1) Gross billings is not a financial measure. We define gross billings as the consideration received or receivable from the sale of Miles, incentive payments and fees, collectively, during a specific period and as such, is the main source of cash for our LifeMiles business. Gross billings is the principal operating measure used by our management team to evaluate the performance of our LifeMiles business. In addition, we believe that gross billings is relevant to investors because it is frequently used by securities analysts and investors in their evaluation of the operating performance of companies in the loyalty program industry

Cargo Operations

In addition to our passenger transportation operations, we generate revenue from our cargo and courier operations, primarily from the air transportation of goods, on an airport-to-airport basis, and other complementary services. In addition, we also generate cargo and courier revenues by domestic and international shipments of small parcels, on a door-to-door basis and with defined transit time commitments.

Cargo

Our cargo operation utilizes most of the route network of our passenger operations as we are able to efficiently use the belly capacity of our passenger Fleet. We also carry out freighter-only operations. In addition, we strengthen our destination offering through interline agreements with other airlines. We carry cargo for a variety of customers, including freight-forwarding companies, import/export-oriented companies, individual consumers and other international carriers. Our cargo business is operated by Tampa Cargo, through the brand Avianca Cargo, Latin Logistics Colombia and Latin Logistics U.S., through the brand Deprisa, and Aerounion, in which we have a majority of economic rights. Avianca Cargo represented the largest air cargo carrier in gross tons in Colombia for the twelve months ended September 30, 2024, with 34.4% of market share according to Aerocivil. Additionally, Avianca Cargo ranked in the top three air carriers of international freight in and out of MIA in 2023, with a 14.8% market share according to MIA's Statistics.

Our international cargo operations are headquartered in Bogotá, and we have cargo facility hubs in Mexico City (through Aerounion), Miami and Medellín, which serves as an important facility for our international cargo operations given the relevance of its flower production. The United States accounts for most of our cargo traffic to and from Latin America. In Latin America, our cargo operations focus on Colombia, Ecuador, Peru, Brazil, Mexico, Argentina, Paraguay, Uruguay and Chile. We also provide cargo services to other destinations around the world through commercial agreements.

Cargo flows are unidirectional. This characteristic is a key determinant in the structure of our cargo operations and especially relevant in markets featuring structural imbalances between inbound and outbound flows or during specific periods of disequilibrium. Lack of demand in one particular direction may force us to rely on different markets in order to maximize loads on return flights. In recent years, we believe we have successfully diversified our cargo business origins and destinations, creating a larger network that permits us to decrease regional dependence and maximize asset utilization.

In 2023, our cargo capacity in terms of ATKs increased by 6.8% and our RTKs increased by 1.8% as compared to 2022. This resulted in a 3.1 percentage point decrease in our cargo load factor, from 63.9% in 2022 to 60.9% in 2023. According to IATA, the load factor in 2023 in the international market and the total market was 50.0% and 44.1%, respectively. We believe that our performance reflects our strategy of freighter schedule optimization.

The following table sets forth certain of our cargo operating statistics for domestic and international routes for the periods indicated:

	For the nine months ended September 30,		For the year ended December 31,	
	2024	**2023**	**2023**	**2022**
Total ATKs (millions)	1,945.5	1,976.2	2,630.7	2,462.2
Total RTKs (millions)	1,203.5	1,181.22	1,602.3	1,573.8
Weight of cargo carried (tons)	398,333	397,266	539,228	548,416
Total cargo yield (cargo revenue/RTKs, in $)	0.37	0.40	0.38	0.4

Courier

We also offer domestic and international courier services under our Deprisa brand, which is widely recognized throughout Colombia. We are committed to providing optimal logistics solutions in domestic and international delivery of documents, packages and other merchandise. Deprisa is a significant player in the Colombian courier market with 131 points of sale and 95 retail establishments in Colombia, with 1,051 domestic destinations and 191 international destinations.

Investments and Acquisitions

In order to provide broad geographic coverage in a region that does not have unified air transport regulation, we have, throughout our history, grown our footprint through the acquisition of airlines in various countries, including—among others—passenger airlines formerly known as TACA (in El Salvador), Lacsa (in Costa Rica), Aviateca (in Guatemala), and Aerogal (in Ecuador), as well as the cargo carrier formerly known as Tampa (in Colombia) and the cargo carrier Aerounion (in which we have majority economic rights) in Mexico.

We continue to identify opportunities to expand our coverage through strategic investments and acquisitions complementary to our current geographic footprint. In October 2024, we acquired a majority of the economic rights of Wamos Air, a leading Spain-based airline that currently offers charter and ACMI services with a fleet of 13 A330 aircraft. The Issuer indirectly holds 49.97% of the voting rights and 99% of the economic rights of Wamos Air. As a result, we do not control Wamos Air, which continues to operate independently, subject to a shareholders' agreement that includes certain minority investor protections for the Avianca Group. These protections include the right to appoint two of the company's three directors, one of which shall be independent. The Issuer also retains consent rights over key actions including, but not limited to, (i) changes to the company's organizational documents, corporate form and board composition, (ii) any merger, spin-off, or similar transaction, (iii) changes to the company's securities, including, but not limited to, new issuances of shares and/or bonds, sale of treasury shares or the creation or elimination of securities, (iv) acquiring or investing in any other airline, (v) transactions involving the company's shareholders, and entering into contracts that restrict shareholders' ability to transfer their shares, (vi) the distribution of dividends, and (vii) dissolution of the company. Wamos Air complements our strategic network by providing optionality to expand Avianca's existing global footprint, which we expect to utilize to further facilitate European connectivity. It also diversifies our revenue base with a profitable ACMI platform that generated €216.6 million in revenue and served over three million passengers across 87 countries, in each case in 2023.

Strategic Partnerships, Alliances and Commercial Agreements

We have established strategic partnerships that allow us to improve our overall network, expand our international connectivity, offer more attractive benefits to our LifeMiles customers, enhance our brand and build customer loyalty and revenue. These strategic partnerships provide for commercial cooperation agreements, codeshare and interline arrangements, as well as marketing initiatives, loyalty program reciprocity, enhanced service levels at airports, among others.

We are a member of Star Alliance, a global integrated airline network founded in 1997 and the largest and the most comprehensive airline alliance in the world. As of December 31, 2023, Star Alliance carriers served more than 50 hub airports and 186 countries with 16,000 daily departures. Additionally, our bilateral commercial alliances with other airlines enhance travel options for customers by providing better coverage to common destinations, additional mileage accrual and redemption opportunities and access to markets that we do not serve directly. These commercial alliances typically include loyalty program reciprocity, code sharing of flight operations (whereby seats on one carrier's selected flights can be marketed under the brand name of another carrier), coordination of passenger services, including ticketing, passenger check-in, baggage handling and passenger connection, and other resource-sharing activities.

As of September 30, 2024 we have interline agreements and codeshare agreements with 72 airlines worldwide and one regional airline. These interline agreements allow us to provide connections on the basis of a single ticket, paid in a single transaction and currency, usually with baggage checked through to final destinations and in some cases with boarding passes issued all the way through for all connecting flights. We have three intermodal

agreements, allowing passengers to connect with rail or bus services, with Renfe trains in Spain, Great Western Railway in Britain and National Express intercity buses in Britain.

Pricing and Revenue Management

Our revenue management model is focused on effective pricing and yield management, which are closely linked to our route planning, and on our sales and distribution methods.

We maintain revenue management policies and procedures that are intended to maximize total operating revenue, while keeping fares generally competitive with those of our main competitors. The fares and the number of seats we offer at each fare are determined by our proactive yield management system and are based on a continuous process of analysis and forecasting. Past booking history, load factors, seasonality, the effects of competition and current booking trends are used to forecast demand. Current fares and knowledge of upcoming events at destinations that will affect traffic volumes are also included in our forecasting model to arrive at optimal seat allocations for our fares on specific routes.

Our model of fare segmentation seeks to maximize revenue per seat through dynamic inventory adjustment depending on demand. By increasing price segmentation, we are able to ensure that we continue to attract and retain high-yield business traffic including last minute seat availability for late booking business travelers, which is integral to our revenue management, as well as leisure travelers who usually pay lower fares for tickets purchased in advance. We charge higher prices for tickets on higher-demand flights, tickets purchased on short notice and tickets for itineraries suggesting a passenger would be willing to pay a premium.

Sales and Distribution

We strive to maintain a sophisticated sales process and a multichannel strategy with extended customer reach. 59% of our ticket and ancillary sales in 2023 were through direct channels, which include our website and mobile app, direct ticket offices, direct agents and call center. Direct online bookings by our customers via our website and mobile app represent our lowest cost distribution channel, which accounted for 50.6% of all ticket and ancillary sales in 2023. We intend to continue working to increase sales through online channels, in particular sales through our website and our mobile app, as these sales are more cost-efficient and involve lower distribution costs than sales through travel agencies. The remaining 41% of our ticket and ancillary sales in 2023 were through indirect channels, including non-exclusive travel agencies and OTAs, through their websites in a traditional way (Edifact), as well as new technologies (NDC).

Fleet

As of September 30, 2024, our Fleet comprised 163 aircraft: 151 passenger aircraft and 12 cargo aircraft, seven of which were owned between passenger and cargo aircraft, 156 of which were subject to Aircraft Leases and two were under rent (not accounted for as part of property and equipment). As of September 30, 2024, the average age of our passenger Operating Fleet was 9.0 years. For our cargo operations, as of September 30, 2024, our Fleet comprised two Boeing 767-200F, seven A330F and three A300F and our cargo Operating Fleet has an average age of 11.9 years. Our standardized Fleet allows us to optimize the procurement, maintenance and training processes.

The following table sets forth the composition of our Fleet as of September 30, 2024:

	Number of aircraft				
\	Total	Owned	Leases	Operating Fleet	Operating Fleet Average (years)
Narrow-body					
Airbus A319	8	1	7	8	12.6
Airbus A320	79	—	79	79	12.1
Airbus A320neo	45	—	45	45	3.2
	132	1	131	132	9.3

Wide-body					
Boeing B787	16	—	16	14	8.6
Airbus A330[(1)]	3	1	2	—	—
	19	1	18	14	8.6
Cargo					
Airbus A330F	7	—	7	7	11.9
Airbus A300F[(2)]	3	3	—	—	30.9
Boeing 767-200F[(2)]	2	2	—	—	37.3
	12	5	7	7	11.9
Total	163	7	156	153	9.2

(1) The two leased A330 aircraft are held pursuant to short-term and variable rent leases and, as a result, are not reflected on our statement of financial position.
(2) These aircraft are operated by Aerounion, in which we hold majority of the economic rights.

Substantially all (94.5% as of September 30, 2024) of our Operating Fleet is subject to long-term leases, which require monthly lease payments and generally have purchase options at the end of the lease. We are generally responsible for the maintenance, servicing, insurance, repair and overhaul of our leased aircraft. These funds are refunded to us to pay for scheduled overhauls. We are required to return leased aircraft in an agreed-upon condition at the end of the Aircraft Lease. In certain Aircraft Leases, we have agreed to make an end-of-lease adjustment payment. The rates to calculate this adjustment are set forth in the relevant Aircraft Lease. We anticipate lease maturities starting in 2026, accumulating 119 narrow-body and seven wide-body aircraft lease maturities by the end of 2029, for which we will have the ability to renew depending on market conditions. In addition, as of September 30, 2024, we have agreements to acquire 103 A320 Family aircraft to be delivered between 2025 and 2031, as well as 35 option aircraft, and we have signed a memorandum of understanding to acquire five A350 aircraft. We believe that our order book enhances the predictability of our fleet renewal plans. Furthermore, two additional A330P2F will be added to the cargo Fleet during 2024 and 2025, to replace older A300F aircraft.

Maintenance

General

Aircraft maintenance, repair and overhaul are critical to the safety and comfort of our customers and the optimization of our Fleet utilization.

Our maintenance facilities are located in Bogotá, Medellín, Guatemala City and San Salvador and can perform line maintenance, heavy maintenance (in Bogotá and Medellín only), components maintenance, non-destructive tests and specialized services, which include scheduled and unscheduled aircraft maintenance checks, including pre-flight, daily and overnight checks, "A-checks" and any diagnostics and routine repairs, as well as heavy airframe checks, including "C-checks" and structural checks.

We provide line maintenance services at most of our local stations in Colombia, Ecuador, El Salvador, Costa Rica, Guatemala, Honduras, Nicaragua and Miami, both for third parties and our own Fleet. Heavy maintenance comprises more complex inspections and checks, as well as aircraft servicing that cannot be completed overnight. Maintenance checks are performed as prescribed by aircraft manufacturers and approved and certified by international aviation authorities. These checks are based on the number of hours flown or the number of take-offs or calendar days.

All major engine repairs and overhauls are conducted by certified outside maintenance providers, including most relevant worldwide OEMs (Original Equipment Manufacturers).

As of September 30, 2024, we employed 1,460 maintenance professionals, including administrative staff, engineers, supervisors, technicians and inspectors. Each of our certified maintenance professionals is trained in maintenance procedures, completes our in-house training program and is licensed by the local authorities of the relevant country and, in many cases, by the FAA.

Pursuant to our recent transaction (the "MROH Transaction") with MROH Holdings ("MROH"), a related party of the Avianca Group, we intend to transfer upon closing (which is subject to customary conditions precedent)

the operation of our heavy maintenance, repair and overhaul (MRO) aircraft maintenance facility in Medellín, Colombia to MROH. Upon closing, we will continue to receive heavy maintenance services for our Fleet at the transferred facility under preferential conditions. The MROH Transaction is expected to close no later than March 26, 2026.

Further, the MROH Transaction includes a transfer of personnel associated with the MRO facility by virtue of an employer substitution (*sustitución patronal*),

Maintenance Hangars

We have eight maintenance hangars: three in BOG, one of which can accommodate wide-body and narrow-body aircraft, three in Medellín, two of which can accommodate wide-body and narrow-body aircraft, one in Guatemala City, which can accommodate narrow-body aircraft, and one in SAL, of which can accommodate narrow-body aircraft.

Certifications

Avianca's FAA repair station approvals and certifications in Colombia (BOG, Medellín and line stations), Guatemala, El Salvador, Costa Rica, Miami and geographical extensions in Ecuador, Nicaragua and Honduras allow Avianca to perform maintenance on all Avianca Fleet and third-party line maintenance customers.

We are subject to approximately 170 annual audits, including internal and external audits by the aviation authorities in the countries in which we operate and our aircraft are registered, such as the FAA in the United States, Aerocivil in Colombia, the Directorates General of Civil Aviation, or DGAC, in Ecuador, Costa Rica, Chile and Guatemala, the AAC, in El Salvador and the Federal Civil Aviation Agency, or AFAC, in Mexico, in order to ensure that our maintenance procedures comply with the best practices and standards in the industry.

Operational Training Center

We benefit from using an operational training center located close to BOG for pilots, flight attendants and technicians, as well as for administrative employees. The proximity of this training center allows us to maintain a lower total training expense as we do not incur in travel, accommodation and other expenses to train our personnel. The student population is approximately 460 per day. The operational training center, which is owned and operated by Colombia Flight Training S.A.S., or CAE, an independent third party, has six full-flight simulators for A320, A330 and B787.

Fuel

Our aircraft fuel prices comprise a variable and a fixed component, in all cases by volume. The variable component is set by the fuel refinery, reflects international price fluctuations for oil and exchange rates and is re-set monthly in the Colombian market. The fixed component is a spread charged by the fuel supplier and is usually a fixed cost per liter during the term of the contract.

Aircraft fuel represented 34.1% and 37.3% of our operating expenses in 2023 and 2022, respectively.

The following tables set forth certain information regarding our fuel consumption for the periods indicated:

	For the nine months ended September 30,[1]		For the year ended December 31,	
	2024	2023	2023	2022
Average price per gallon of jet fuel into plane (in dollars)	2.83	3.00	3.04	3.56
Gallons consumed (in thousands)	340,222	293,907	402,901	347,532
ASKs (in millions)	47,662	39,825	54,706	41,596
Gallons per ASK (in thousands)	7.1	7.4	7.4	8.4

(1) Data in the table does not include cargo operations.

Our fuel distributors in Bogotá are Terpel, Chevron and World Fuel Services. Terpel supplied us with 64.5% and 89.0% of our fuel needs in Colombia in the years ended December 31, 2023 and 2022, respectively, and 31.8% and 43.6% of our total fuel consumption in the rest of our network. While Terpel is our primary fuel supplier in Colombia, there are three additional suppliers in certain Colombian regional airports, which distribute approximately 35.5% of the remaining volume in the country. Most of our fuel supply contracts have terms until September 30, 2025. See "Risk Factors—Risks Related to Our Business—Volatility in our fuel costs or disruptions in our fuel supply could adversely affect our business, results of operations and financial condition" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures About Market Risk."

In July 2024, we entered into swap agreements on crack spreads to mitigate the impact of hurricane season on Gulf Coast jet fuel prices. As of September 30, 2024, our hedging position covered 75% of expected fuel consumption in October. Our philosophy is to not hedge systematically against fuel price risk through financial instruments, but rather to pass-through the underlying fuel cost fluctuations to fares in markets with supportive demand dynamics. We do, however, from time to time, enter into hedging positions through financial derivatives to mitigate specific event risks, such as geopolitical uncertainty or extreme weather events that may negatively impact the fuel supply chain.

Marketing, Customer Experience and Advertising and Promotional Activities

The *avianca* brand represents our forward-looking vision and we strive to be a company where *"the sky belongs to everyone*". We seek to combine the best of our over 100 years of flying with the practicality and flexibility of the modern low-cost world. In furtherance of this objective, we seek to continuously improve the quality of our marketing strategy based on knowledge of travelers' preferences and building on the strength of our communication channels. We are committed to offering a reliable and convenient service and aspire to be the airline of choice in the region, with the aim of consistently delivering on our customer promise to be safe, reliable, affordable, friendly, and hassle-free.

We strive to achieve the highest marketing impact at the lowest cost through efficient and effective marketing and advertising strategies with activities that include television, print, radio, billboards and digital media (including social media), as well as targeted public relations events in the cities to which we fly. As travelers' habits evolve and the technologies they use change, we continuously adjust our marketing and advertising techniques and tools. We invest in innovative digital marketing tools to efficiently reach current and prospective customers and maximize our sales and returns.

Some of our promotional activities include (i) low fare promotions for domestic and international travel, pursuant to which special rates are available during certain time frames, (ii) "ancillaries promotions" to increase average spending of passengers on additional services such as seats and upgrades, baggage, changes and fees, other air ancillaries and non-air ancillaries and (iii) network and destination promotional activities, based on our or third party budgets to increase demand to specific destinations (with low fares, activities of interest, hotels and tour operator alliances). We seek to improve customer experience, reduce costs, optimize decision-making, increase earnings and transform daily operation processes and activities through our digital innovation strategies. Our goal is to increase revenue through increased ticket sales through digital channels and, in doing so, enhance customer loyalty and engagement. We expect that better digital marketing management and e-commerce practices will continue to increase our ancillary sales and we believe that our digitization efforts will further reduce sales costs by migrating sales from commissioned channels to non-commissioned digital platforms, and by partially replacing call center support with less costly support through our digital channels.

In 2023, we were ranked as the world's most punctual airline by Cirium, with an OTP index of 85.7%. This achievement marks the first time a Colombian airline has earned such recognition. Moreover, Avianca was recognized with a "B" rating by the Carbon Disclosure Project (CDP), becoming one of the highest rated airlines in Latin America, due to its commitment to environmental transparency. Avianca is one of the few airlines in Latin America to report its management policies and strategies in climate change to the CDP, placing us among the most sustainable airlines in Latin America according to the index.

Competition

General

We face competition in our domestic and international routes, including with respect to our loyalty program LifeMiles, from competing airlines, charter airlines and potential new entrants. Airlines compete mainly in the areas of pricing, scheduling (frequency and flight times), on-time performance, on-board experience, frequent flyer programs and other services.

The airline industry is highly sensitive to price discounting and the use of aggressive pricing policies. Other factors, such as flight frequency, schedule availability, brand recognition and quality of offered services (such as loyalty programs, VIP airport lounges, in-flight entertainment and other amenities) also have a significant impact on airline competitiveness. See "Risk Factors—Risks Related to Our Business—We operate in a highly competitive industry and actions by our competitors could adversely affect us."

Low-cost business models have been gaining market share in Latin America in recent years, particularly as challenging regional macroeconomic conditions persist and affect increases in price elasticity. The growth of Wingo in Colombia, GOL and Azul in Brazil, Viva Aerobus and Volaris in Mexico, JetSMART in Colombia, JetSMART and Sky in Chile and Flybondi in Argentina are evidence of this trend.

LCC operations are typically characterized by point-to-point route networks focusing on the highest-demand city pairs, high Aircraft Utilization, single-class service and fewer in-flight amenities. Our business model combines attributes of an LCC such as a streamlined fleet, point-to-point connectivity, unbundled fare structure and buy-on-board amenities, while continuing to offer our customers a wide network and a reliable and flexible product that they expect from our brand. We have built on our core strengths, including our strong operational performance, a robust offering in terms of frequencies, our leading position in the Latin American market, our membership in Star Alliance and the strength of the LifeMiles program, while improving our fleet ownership cost providing our customers with a more affordable product.

Commercial Airlines

Domestic Competition

In the domestic Colombian passenger market, we compete primarily with LATAM, Clic, Satena, Wingo and JetSMART. In the domestic Ecuadorian passenger market, we compete primarily with LATAM.

International Competition

In the international passenger market, we compete with a number of airlines (full-service as well as ULCCs and LCCs), including Aeroméxico, Aerolíneas Argentinas, Air Canada, Air Europa, American Airlines, Copa Airlines, Delta Air Lines, Iberia, JetSMART, Jet Blue Airways, LATAM, GOL Linhas Aéreas, Sky Airline, Spirit Airlines, United, Air France, Volaris and Wingo.

The global airline industry has adapted to an increase in liberalized or "open skies" air service agreements between different states and/or governments. In the countries where we operate, "open skies" agreements exist between Colombia, El Salvador, Costa Rica, Ecuador, Guatemala and the United States; the most important multilateral "open skies" agreement is between Colombia, Ecuador, Peru and Bolivia, and (*Comunidad Andina de Naciones*). Some countries like Ecuador and El Salvador also have "open skies" policies. As a general matter, these liberalized or "open skies" agreements or policies serve to open markets up to fifth freedom rights and reduce restrictions such as entrance, designated carriers, aircraft capacity or frequencies among others.

As a result of this continuing trend toward liberalized or "open skies" air service agreements, a number of countries to which we fly have been negotiating to further liberalize or provide more flexibility to their airlines, which may change the competitive environment. It is likely that the Colombian government will eventually liberalize restrictions on international travel to and from Colombia, which includes our BOG hub by, among other things, granting new traffic rights and generally promoting increasing numbers of market participants on the routes we serve.

In fact, in 2021 the bilateral agreement with United Arab Emirates was updated, which opened the possibility of new passenger services, connecting the two countries using MIA as an intermediate or beyond point (with fifth freedom rights), with up to seven frequencies during the first year and later increasing to two daily flights. See "Risk Factors— Risks Related to Our Business— We face increasing competition from other global airlines due to the continuing liberalization of restrictions traditionally affecting airlines and consolidation in the industry."

Cargo and Courier

Our main cargo network hubs are located at BOG, MIA, Felipe Angeles International Airport in Mexico City and Jose Maria Cordova International Airport in Medellín.

Domestic Competition

With respect to our domestic Colombian cargo operations, our main competitors are domestic freighter operators such as Aerosucre, AerCaribe, LAS and LATAM, which have large cargo operations at BOG and provide similar coverage as us. The Colombian courier market is highly competitive and dispersed, largely due to the presence of informal and urban messenger players such as Rappi, Mensajeros Urbanos and Cabify Express. Our main competitors in the domestic Colombian courier market are Servientrega, Coordinadora, TCC, Envia, Interrapidísimo and 4/72. Deprisa also competes with FedEx, UPS and DHL in the international courier market.

International Competition

With respect to our international cargo operations, our main competitor is LATAM, and other competitors include Atlas Air, Sky Lease, UPS, Cargolux, Amerijet, MAS and American Airlines.

On June 29, 2022, Tampa Cargo and Aerounion, a Mexican cargo airline in which we hold a majority of economic rights, entered into a Commercial and Collaboration Agreement. The Commercial and Collaboration Agreement is intended to strengthen collaboration between the parties in revenue, marketing and sales, network and capacity planning, joint procurement, technology, customer services, operating procedures and maintenance, among others. The scope of air cargo services under the Commercial and Collaboration Agreement is within the Mexico-Colombia, Colombia-United States and Mexico-United States markets. Consistent with the foreign investment restrictions, the agreement is exclusively commercial, therefore the Commercial and Collaboration Agreement does not give either party control over the decisions of the other party.

LifeMiles

LifeMiles' direct competitors in Latin America are other loyalty programs in the travel, banking and retail sectors. Each of the airlines with a significant presence in our Core Markets has a frequent flyer program that competes with LifeMiles, maintaining co-branded credit card portfolios with a variety of banks throughout Latin America that compete with LifeMiles co-branded credit cards. LifeMiles' main competitors include the loyalty programs of Latin American-based Copa Airlines and LATAM, as well as major U.S. airlines such as American Airlines, Delta Air Lines and United.

In addition to airlines, a few major Latin American banks and retailers have established separate entities to own and manage loyalty programs, which remain relatively fragmented in our Core Markets and most of which are proprietary in-house programs.

Bank loyalty programs have been growing on the back of strong partnerships with commercial partners other than airlines, leveraging well-established relationships to boost proprietary rewards credit card products.

The formal retail sector in our Core Markets is relatively concentrated and most major players have well-established customer loyalty programs that are embedded within their retail operations. In Colombia, Exito, the country's largest retailer, has the Puntos Colombia loyalty program in partnership with Bancolombia. Similar to proprietary rewards credit card programs, LifeMiles both competes and simultaneously partners with Puntos Colombia, generating gross billings through Miles conversion. We have similar arrangements with other proprietary retail loyalty programs and service providers in the region.

Additionally, there are a variety of advertising agencies and marketing services companies that provide white-label loyalty program operations to companies in the region. These white-label loyalty marketing companies typically charge markups on redemptions, customer service fees, systems delivery costs and other ancillary services. They normally do not own the loyalty point liability and do not generate revenue for points that expire. These white-label loyalty program operators work in a part of the market with lower barriers to entry and are generally small.

Safety and Security

We are committed to the safety and security of our passengers and employees and we are subject to the security regulations of each of the countries in which we operate. Some of the safety and security measures we have taken include aircraft security and surveillance, positive bag matching procedures, enhanced passenger and baggage screening and search procedures, and securing of cockpit doors. We strive to comply with or exceed health and safety regulation standards. In pursuing these goals, we maintain an active aviation safety program and all of our personnel are expected to participate in the program and take an active role in the identification, reduction and elimination of hazards.

The effectiveness and relevance of our safety management system has been evaluated and validated by several civil aviation authorities in Central and South America, and by several industry organizations such as IATA, assuring that our guidelines and procedures are in compliance with the requirements established by the ICAO and within the best industry practices.

Our airlines that are part of IATA are certified by IOSA (IATA Operational Safety Audit) an internationally recognized evaluation system intended to assess the safety and operational management of airlines, involving over 900 standards and recommended practices, and covering management of all operational processes. Achieving this certification demonstrates our commitment to maintaining high safety and operational standards, enhancing passenger confidence, and fostering operational excellence.

The FAA periodically audits the civil aviation authorities of other countries, and each country is given an IASA rating. Also, an IOSA audit is implemented for the industry by IATA. The IASA program rating for each of Colombia, Ecuador, El Salvador, and Costa Rica is Category 1, which means that each such country's oversight of its air carriers (through its country's civil aviation authority) complies with safety standards established by the ICAO. Category 1 status is based upon the FAA's review of various safety standards with respect to the regulations, licensing of personnel, condition of the aircraft, airline monitoring, pilot training, maintenance, repair and overhaul facilities and aeronautical organizations. While under Category 2, carriers will only be allowed to continue operations at current levels under heightened FAA surveillance but expansion or changes in services to the United States are prohibited, although new services will be permitted if operated using aircraft wet-leased from a duly authorized and properly supervised U.S. carrier or a foreign air carrier from a Category 1 country that is authorized to serve the United States using its own aircraft.

We are an active member of the ALTA Safety Group and the Star Alliance Safety Committee. Our ongoing focus on safety relies on training our employees to proper standards and providing them with the tools and equipment they require so they can perform their job functions in a safe and efficient manner. Safety in the workplace targets several areas of our operation including flight operations, maintenance, in-flight, dispatch, and station operations. Following the recommendations of the health authorities and IATA in response to the COVID-19 pandemic, we strengthened our biosecurity protocols, including continuous disinfection and cleaning of aircraft.

The airline's personnel -on the ground and on board- are trained to detect possible alerts and act according to established security protocols before boarding, during the flight and after landing. In addition, our aircraft are equipped with HEPA filters, which capture 99.97% of airborne microbes, and the cabin air system allows the air to be renewed every two to three minutes.

Our Security Director works within the framework of the security management system designed by IATA. Our Director of Aviation and Corporate Security works closely with all areas to ensure regulatory compliance in security matters, as well as with relevant authorities to identify and neutralize internal drug trafficking and money laundering related schemes. For more information, see "Risk Factors—Risks Related to Our Business—We may incur

substantial compliance costs and be subject to severe sanctions if we fail to comply with U.S. and other international drug trafficking laws."

Airport Facilities

Our operations are focused out of our hubs at BOG and SAL. In 2023, we operated from 76 airports in the Americas and Europe, including 24 airports in Colombia. We lease check-in space, gates, crew lounges, maintenance, warehouses, sales and VIP lounge space throughout our network.

Colombia: BOG

In 2023, we operated an average of 283 domestic flights and 123 international flights per day that either departed from or arrived at BOG, representing approximately 84% of our Colombian domestic flights and approximately 53% of our total international flights.

BOG is undergoing a multi-phase expansion plan and implementing additional infrastructure and technology enhancements intended to improve schedule punctuality as well as passenger and baggage connecting times. The airport has two runways with a declared capacity of 40 departures and 34 arrivals per hour (weather permitting). Night operations are subject to reduced capacity due to noise abatement procedures. The airport is located at a high altitude (approximately 2,600 meters above sea level), which, together with temperature conditions, results in payload restrictions and requires lower takeoff weight as a result of reduced aircraft performance. We lease airport space for our check-in counters, ticket sales facilities, VIP lounges and back- office operations from OPAIN.

El Salvador: SAL

SAL is located approximately 30 kilometers from the country's capital, San Salvador. Avianca carried nearly 2.4 million passengers in El Salvador in 2023, 28% of which connected to one of our 25 destinations offered from this hub.

SAL comprises a single passenger terminal with 19 boarding bridges and three remote positions, one cargo terminal with three positions and separate maintenance facilities. The El Salvadorian government is evaluating a plan that would significantly increase the number of gates and add a second runway. We are actively participating in the logistics and efforts to modernize the current terminal and are proactively contributing expertise in the development of the master plans for the construction of a new terminal. We are also participating in the governmental project to transform the areas next to the airport into an aeronautical cluster.

SAL is government-owned and operated by an autonomous port authority entity, *Comisión Ejecutiva Portuaria Autónoma* or, CEPA. We have entered into an operations contract with CEPA regarding access fees, landing rights and allocation of terminal gates. We lease airport space for our check-in counters, offices, warehouses and maintenance operations.

Seasonality

Our operating results fluctuate due to seasonality, including high vacation and leisure demand occurring during the Easter holiday, the months of July and August and again during the months of December and January. The lowest levels of passenger traffic are typically concentrated in the months of February, March (depending on whether the Easter holiday falls in March or April) and May. As a result of this, our second semester results are usually better than our first semester results. As we enter new markets, we could be subject to additional seasonal variations. We are more susceptible to adverse weather conditions, including hurricanes generally during the months of June to November, because of our operations being concentrated in Central America, the Caribbean and Colombia. Price changes in aircraft fuel as well as the timing and amount of maintenance and advertising expenditures throughout the year, also impact our operations. As a result of these factors, quarter-to-quarter comparisons of our operating results may not be a good indicator of our future performance.

Human Capital Resources

As of September 30, 2024, December 31, 2023 and December 31, 2022 we had a total of 13,863, 13,652 and 14,688 employees, respectively.

As of September 30, 2024, approximately 70.4% of our employees are located in Colombia, 14.1% in El Salvador and 15.6% in other countries (including Ecuador, Costa Rica, the United States and Guatemala). Our employees can be categorized as follows:

	At September 30, 2024	At December 31, 2023
Pilots	2,000	1,879
Flight attendants	3,070	2,973
Mechanics[(1)]	1,460	1,418
Customer service agents, reservation agents, ramp and other	4,172	4,038
Management and clerical	3,161	3,344
Total employees	13,863	13,652

(1) The number of our mechanics fluctuates based on the scheduling of our aircraft maintenance.

We believe that a key element of our continued growth is to promote the personal and professional growth of our employees. We believe that a well-trained and informed workforce will reduce labor costs and drive efficiencies. Since our foundation, our policy and practice has been to align our interests with those of our employees and we believe this has resulted in a strong relationship with our labor force. We believe that we pay wages that are competitive with those in our industry in general and offer benefits above the legal requirements.

We seek to create long-term winning relationships with our talent, while reinforcing the accountability and commitment of people to themselves and to the company. Our RECare strategy promotes responsibility in leaders, ensuring the necessary bases for the work and experience of their teams, through the care and provision of the fundamental resources to perform their jobs safely and comfortably: adequate equipment, quality infrastructure, healthy food, and places to rest.

In addition, as part of our talent management processes we implement policies designed to provide equal opportunities in hiring, followed by growth opportunities with tailored learning and development programs with supervisors providing constant feedback. We set up team building spaces, team coaching and workshops tailored to different populations.

We strengthened our internship programs to increase employability and contribute to the reduction of gaps between study and professional life. We believe that building long-term relationships improves the engagement of our talent. According to an internal survey, employee engagement (based on our internal metrics) increased from 69% in 2022 to 85% in 2023.

We are committed to providing equal employment opportunities for all persons and prohibiting discrimination in all aspects of our operation, and we have established business resources so that all employees feel valued and respected. We also partner with organizations such as Fenascol, Target Gender Equality, Best Buddies, Fundación Falcao, CESA, Fundación Poderosas and IATA. We make culture training available to all employees, with approximately 8,474 employees having received the latest version of our culture training as of September 30, 2024.

Collective Bargaining Arrangements (CBA)

As of September 30, 2024 we had approximately 2,919 employees (out of a total of 13,863 employees) that were members of labor unions. We believe we maintain a positive relationship with these unions. Generally, our collective bargaining agreements contemplate a periodic salary adjustment based on inflation. Terms are reviewed when the applicable union files a request.

We provide sponsor employee benefit plans and arrangements that provide bonuses, seniority and retirement benefits, partial medical benefits and disability coverage and other benefits to certain of our non-unionized employees and participating retirees. Many of these benefits are provided under various benefits plans, while others are provided on a voluntary basis as a means to recruit and retain valuable employees. Voluntary benefit plans cover flight attendants and ground personnel, and are scheduled to remain in effect.

Colombia

In Colombia, approximately 29.1% of our employees, including 79.6% of our 1,540 pilots, are unionized as of September 30, 2024. The remainder of our employees in Colombia are members of our voluntary benefits program. We generally maintain good relations with our union and non-union employees and have not experienced material work stoppages since 2017.

Other Countries

As of September 30, 2024, there are four unions in two different countries covering approximately 1.9% of our employees outside Colombia, including one in Mexico and one in Argentina. There are other unions, which we are only subject to industry negotiations. We maintain generally good relations with our union and non-union employees, in all countries. We do not have currently any material labor claims and have not experienced material work stoppages for the past fifteen years outside Colombia.

Our non-union employees outside Colombia are also members of our voluntary benefits program and we also provide some of them with sponsor employee benefit plans and arrangements that provide bonuses, seniority and retirement benefits, partial medical benefits and disability coverage and other benefits.

Insurance

We have insurance policies in place covering aviation risks (hull, third party liability, passenger/baggage/cargo liability, war and allied perils, deductible, loss of license and personal accidents), financial risks (director and officers liability, cyber, property damage, crime), surety risks (overflight rights, customs, rental policies, bonds, cautions), and, some of benefits for our employees (health, life, funeral, vehicles). We have obtained the insurance coverage required by the terms of our leasing and financing agreements, and our policies meet the expected standard in terms of insured values, insurers, terms and conditions. These policies have also been approved by the civil aviation authorities in all countries where we operate.

For the year ended December 31, 2023 we paid $22 million in premiums and had a total insured value of $2.5 billion under our aviation policies, paid $5.6 million in premiums and had a total insured value of $505 million under our financial policies, paid under $1 million in premiums and had a total insured value of $41 million under our surety policies and paid $4.6 million in premiums under our employee benefits policies.

Intellectual Property

We believe that the *avianca* brand is a household name in Colombia. We have registered the trademark *AVIANCA* with the trademark office in Colombia as well as in other countries, including the United States. Aerovías is the owner of both the word mark *AVIANCA* and most associated design marks, which we receive the right to use under an exclusive intra-company licensing agreements. Both the word mark *AVIANCA* and associated design marks are used to identify, from a commercial standpoint, all our operating airlines other than our Mexican cargo operations, which mainly operate under the Aerounion brand. We use various other trademarks (through a combination of ownership and licensing arrangements) to identify our material services and programs, including our *DEPRISA* courier services and our LIFEMILES loyalty program.

Our intellectual property rights, including our material trademarks, are pledged to our creditors. Specifically, our obligations under the Existing Notes are and our obligations under the Refinancing Notes and the New Notes will be secured by, among other things, security interests in, and pledges or mortgages over registered trademarks including the registered trademark for *AVIANCA*.

For more information on our intellectual property, see "Risk Factors—Risks Related to Our Business—If we are unable to protect our intellectual property rights, specifically our trademarks and trade names, our business, results of operations and financial condition could be adversely affected."

Legal and Administrative Proceedings and Investigations

We have in the past been, are currently and may in the future become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including breach of contract, commercial, employment, and other litigation and claims, and governmental and other regulatory investigations and proceedings. We currently believe that the ultimate outcome of such lawsuits, proceedings and reviews will not, individually or in the aggregate, have a material adverse effect on our financial position, liquidity or results of operations. It is not possible to predict the outcome of the pending actions, and, as with any litigation, it is possible that some of these actions could be decided unfavorably. We, with the assistance of legal counsel, periodically review the status of each significant matter and assess potential financial exposure. We recognize provisions for claims or pending litigation when we determine that an unfavorable outcome is probable, and the amount of loss can be reasonably estimated. Due to the inherently uncertain nature of litigation, the ultimate outcome or actual cost of settlement may materially vary from estimates.

The following is a summary of certain investigations or proceedings to which we are or have been subject. See also Note 27 to our audited financial statements and Note 19 to our condensed interim financial statements included in this Exchange Offer and Consent Solicitation Memorandum.

Internal investigations to determine whether we may have violated the U.S. Foreign Corrupt Practices Act and other laws

In August 2019, we discovered a business practice whereby, years before, certain employees, including members of senior management, as well as certain members of the board of directors, provided "things of value" to government employees in certain countries, which we believe were limited to free and discounted airline tickets and upgrades. We commenced an internal investigation and retained outside counsel and a specialized forensic investigatory firm to determine whether this practice may have violated the FCPA or other potentially applicable anti-corruption laws. Based on our internal investigation, we improved our policies and implemented additional controls including limiting the number of persons authorized to issue free and discounted airline tickets and upgrades and requiring additional internal approvals. In August 2019, we voluntarily disclosed this investigation to the DOJ, the SEC and the SFC.

In September 2019, the CSC inspected Avianca's Bogotá offices. In February 2020, the AG served us with a search warrant to inspect our offices in order to collect information related to this investigation. The CSC sent several requests of information that were timely responded by us.

In May 2021, the SEC informed us that it had concluded its investigation and did not intend to recommend any enforcement action against us.

To our knowledge and as of the date of this prospects, the CSC's inquiry has not resulted in the opening of a formal investigation against us. Moreover, we are of the view that the CSC is time-barred from commencing a formal investigation proceeding and should have closed the preliminary inquiry, pursuant to applicable law. No employee or manager related to us has been formally linked to any investigations conducted by the Colombian authorities in connection with such practices.

Internal Investigation regarding potential impacts due to corrupt business practices at Airbus

In January 2020, our primary aircraft supplier, Airbus, entered into a settlement with authorities in France, the United Kingdom and the United States regarding corrupt business practices.

Airbus' settlement with French authorities references a possible request by a then-Avianca "senior executive" in 2014 for an irregular commission payment, which we understand was ultimately not made. As a result of this development, we voluntarily conducted an internal investigation to analyze our commercial relationship with Airbus

and to determine if we were the injured party of any improper or illegal acts. This internal investigation was disclosed to the DOJ and the SEC, as well as the SIC and the AG.

To our knowledge and as of the date of this prospects the AG and the SIC are conducting preliminary investigations in this regard, in which they have requested information from us, which has been provided under the principle of active collaboration with authorities. No employee or manager related to us has been formally linked to any investigations conducted by the Colombian authorities.

Avianca has presented itself as an injured party to the AG. Formal recognition as an injured party would occur at the indictment hearing if one is held.

SIC investigation into the acquisition of Viva

On December 19, 2022, the SIC notified the opening of an investigation against Aerovías for allegedly engaging in unlawful business activities prior to obtaining the necessary regulatory approval for the acquisition of economic rights of Viva which was completed in April 2022 (excluding political rights which were isolated through a trust structure and granted to an independent third party).

The SIC argued that the (i) acquisition of economic rights of Viva by IV1L entailed—in and of itself—the acquisition of control, and, thus, required clearance by the Aerocivil; and (ii) separation of economic and voting rights is not real.

Certain commitments for the investigation to be dismissed were offered on January 16, 2023, and defense arguments were filed on January 17, 2023 arguing that (a) the deal was structured on the basis of the hold separate theory that is expressly allowed per Colombian merger control regulations and has been consistently recognized by antitrust authorities worldwide; and (b) there is evidence of the fact that the airlines had been acting independently, and have not incurred in any collusion or coordination activities.

On May 2, 2023, the SIC notified Avianca of the dismissal of the investigation subject to some commitments different to those initially offered by Avianca. On May 16, 2023, Avianca filed a remedy of reconsideration requesting some adjustments to the modified commitments suggested by the SIC.

On August 23, 2023, the SIC notified Avianca of the final and non-appealable decision, or the Final Decision, with respect to the acceptance of the commitments offered by Avianca. Consequently, the investigation has been terminated. On or around September 7, 2023, as per the Final Decision, Avianca, implemented most of the commitments, including but not limited to: (a) a corporate reorganization with respect to the economic rights of the Viva entities and the shares and economic rights of Rexton Enterprises, S.A. (former Viva holding entity); and (b) a passengers protection plan by providing flight services to customers of the former airline Viva until September 2024, under certain specific conditions.

On March 1, 2024, Avianca filed before the SIC and within the time established by this authority the antitrust program for it to be reviewed by the SIC in accordance with the applicable commitment pursuant to the Final Decision. On July 4, 2024, the SIC notified Avianca of its observations and recommendations regarding the antitrust program and Avianca is analyzing and incorporating them into the program to later submit to the SIC. On July 4, 2024, the SIC notified Avianca of its observations and recommendations regarding the antitrust program. On September 13, 2024, Avianca filed the antitrust program with the SIC, addressing the observations and recommendations of the SIC. On September 30, 2024 in accordance with the commitments agreed upon with the SIC, the passengers protection plan was fully implemented.

Income tax proceedings

Aerovías has an income tax proceeding pending in Colombia with respect to the 2018 tax year, in which the Colombian tax authority has challenged the transfer pricing method of certain intercompany transactions claimed as deductible expenses, as well as the depreciation of 44 aircraft on the basis that aircraft used for public transportation were not entitled to depreciation, as they were assets acquired under financial leases. The amount in dispute is approximately $60.3 million. The dispute is currently awaiting a decision of the court of first instance.

Taca has an income tax proceeding pending in El Salvador with respect to the 2014 tax year, in which the El Salvador tax authority has challenged certain expenses (flight fees, leasing of aircrafts and maintenance) paid to providers abroad on the basis that Taca did not apply withholding tax. In addition, the El Salvador tax authority is claiming the applicable withholding tax. The amount in dispute is approximately $72.9 million. The dispute is currently awaiting a decision of the court of first instance.

Avianca Ecuador has income tax proceedings pending in Ecuador with respect to the 2014, 2016 and 2017 tax years, in which the Ecuadorian tax authority has challenged the transfer pricing method of certain intercompany transactions claimed as deductible expenses. The amount in dispute is approximately $30 million. Moreover, in July 2024, Avianca Ecuador lost in a tax proceeding with respect to the 2015 tax year relating to similar transfer pricing issues, resulting in a judgment of $2.9 million. Avianca Ecuador is currently engaged in a mediation process with the Ecuadorian tax authority with respect to pending proceedings.

Brazil labor proceedings

We were named as a defendant in approximately 2,000 cases before labor courts in Brazil in connection with the bankruptcy of Oceanair.

On December 30, 2009, Oceanair and Aerovías entered into a trademark licensing agreement that allowed Oceanair to use the Avianca trademark and designator code to operate as "Avianca Brasil." On December 10, 2018, Oceanair filed for bankruptcy court protection with the São Paulo Bankruptcy Courts and in 2019 the ANAC revoked Oceanair's air AOC and seized its operations, resulting in the termination of approximately 6,000 employees without severance. More than 2,000 employee claims were filed between 2019 and 2021 in the first-degree labor courts of 18 Brazilian states (Alagoas, Amazonas, Bahia, Ceará, Distrito Federal, Espírito Santo, Goiás, Minas Gerais, Mato Grosso do Sul, Paraná, Paraíba, Pernambuco, Rio de Janeiro, Rio Grande do Sul, Santa Catarina, Sergipe and São Paulo). In the aforementioned labor claims, Aerovías was named as a defendant on the basis that it was part of the same "economic group" as Oceanair due to Oceanair's use of the Avianca trademark and the fact of having Synergy, which was the parent company of Aerovías at the time, as a controlling shareholder in common. Out of these cases, there are 1,272 cases in which Aerovías was included at the beginning of the labor claim, currently representing the amount of $20.9 million, and 805 cases in which Aerovías was included in the enforcement phase. However, for the cases in which Aerovías was included in the enforcement phase, there is still pending discussion in the Federal Supreme Court of Brazil regarding the permissibility of including companies that did not have the opportunity to participate in the prior proceedings.

As of September 30, 2024, there are 292 cases pending in the first-degree courts, 469 cases pending in the second-degree courts, 710 cases pending in the highest courts, and 401 cases in the enforcement phase. Of the 200 cases that were no longer active as of September 30, 2024, we were found liable in 168, for which we have obligations of $5.1 million in damages. We continue to vigorously defend ourselves against the claims.

REGULATORY OVERVIEW

Colombia

Aerovías is a *sociedad anónima* organized and existing under the laws of Colombia. It is qualified to hold property and transact business and holds all licenses, certificates and permits from governmental authorities necessary to conduct its business as now conducted. All consents, licenses, approvals, registration and authorizations as may be required in connection with providing air transport services under applicable Colombian laws have been obtained and are in full force.

Tampa Cargo S.A.S. is a *sociedad por acciones simplificada* organized and existing under the laws of Colombia. It is qualified to hold property and transact business and holds all licenses, certificates and permits from governmental authorities necessary to conduct its business as now conducted. All consents, licenses, approvals, registration and authorizations as may be required in connection with providing cargo air transport services under applicable Colombian laws have been obtained and are in full force.

Regional Express Américas S.A.S. (Avianca Express) is a *sociedad por acciones simplificada* organized and existing under the laws of Colombia. It is qualified to hold property and transact business and holds all licenses, certificates and permits from governmental authorities necessary to conduct its business as now conducted. All consents, licenses, approvals, registration and authorizations as may be required in connection with providing air transport services under applicable Colombian laws have been obtained and are in full force.

The RAC applies to passengers and cargo air transportation services, among other air services provided in Colombia. In Colombia there are no governmental policies that materially restrict our services in the domestic market. In addition to the RAC, international air transportation services, which includes both commercial cargo and passenger transportation, are subject to multilateral and/or bilateral air transport agreements to which Colombia is party that govern the number or conditions for designated carriers, aircraft capacity, routes, frequencies, capacity, commercial agreements, tax, customs and environmental matters, among other conditions and requirements.

Colombia does not have an open skies air commercial policy, however, it has signed some open skies agreements. For example, Colombia is member of the Andean Community of Nations, or CAN, which includes an open skies air transport agreement among its members (currently, Colombia, Ecuador, Perú and Bolivia) for international flights on a sub-regional basis without limitation. For tourism purposes, Colombia also maintains an open-air transport policy with respect to the Colombian Caribbean.

In addition to these agreements and local aeronautical regulations, Colombian carriers are also subject to permits, laws, regulations and operational restrictions provided by the applicable aviation authorities of countries in which we operate, as well as the ongoing operational costs that local or regional authorities may apply.

Authorizations and Licenses

The Colombian aviation market is heavily regulated by Aerocivil. For providing domestic and international air transportation services, airlines must have the necessary governmental licenses, approvals, registration and authorizations.

In Colombia, Avianca operates air transport services on international and domestic routes, Avianca Express is a domestic carrier of air transport services and Tampa Cargo is a carrier providing cargo air transport service. Under Colombian law, Avianca Costa Rica, Avianca Ecuador and Taca are considered foreign airlines and thus have to meet the requirements established by their respective countries and, for international flights to and from Colombia, the requirements established on the Colombian aeronautical regulation and the bilateral agreements between Colombia and the relevant country.

The availability of routes and slots is managed by Aerocivil and the airport infrastructure is principally managed by either the private airport operators and/or Aerocivil, as described below:

Routes

According to the RAC, traffic rights and frequencies are property of the Colombian government and Aerocivil grants permits to airlines to utilize them. In addition, pursuant to the RAC any permits granted by Aerocivil to utilize routes cannot be sold, transferred or assigned by airlines in any circumstances.

Slots

According to the RAC, a slot is a permission given by Aerocivil to use the airport infrastructure necessary to arrive or depart at a Level 3 airport (saturated) on a specific date and time. Slots are allocated by representatives of Aerocivil, in coordination with the airport operators. Currently BOG is the only Level 3 airport in Colombia.

Airport infrastructure

Airport infrastructure is allocated by Aerocivil and airlines pay fees to use airport infrastructure.

Colombian airlines are not required under Colombian law to serve any particular route and are free to withdraw services from any of the routes they serve, subject to certain procedures established by law. Colombian airlines are also free to determine the number of frequencies they offer across the domestic route network, without any minimum frequencies imposed by law or Colombian authorities.

Colombian law requires airlines providing commercial passenger service in Colombia to maintain an AOC and Operational Specifications (OpSpecs) issued or accepted by Aerocivil. The OpSpecs must be updated each time an operational rating is changed, or a new aircraft is added to the fleet, when there are changes to flight procedures, operating bases, among others.

All aircraft operated by national civil aviation carriers must be registered with the Colombian National Aviation Registry (*Registro Aeronáutico Nacional*) kept by the *Oficina de Registro Aeronáutico Nacional de la UAEAC.* Aerocivil also certifies and/or confirms the air-worthiness condition of each aircraft. Liens granted on aircraft for the benefit of lenders, lessors or any third parties, can be registered with Aerocivil by means of a mortgage or similar agreement as per the rules set forth in Colombian law, including but not limited, to international treaties and the Colombian Code of Commerce.

Colombia is party to: (i) the Cape Town Convention, or the Convention, which is a convention on international interests in mobile equipment and (ii) since 2007, to the protocol of such Convention, or the Protocol, on matters specific to aircraft equipment. Colombia undertook the required process to incorporate the Convention and the Protocol into its legal system through Law 967 of 2005; Judgment C-276 from the Colombian Constitutional Court and Decree 4734 of 2007 from the Foreign Affairs Colombian Ministry. In the incorporation process, Colombia made certain declarations related to aircraft matters as permitted by the Convention and its Protocol, as follows: (i) with respect to article 8 of the Convention (*remedies of the chargee)*, Colombia, in its position as a State party declared that any action or recourse shall be enforced only with court authorization; and (ii) with respect to article 39 of the Convention (*rights that have priority without registration*), Colombia declared that social security and labor claims as well as fiscal claims have priority over any other third party right or interest under the Convention or the Protocol.

Furthermore, Colombian airlines are subject to the authority of the Colombian Transportation Superintendency (*Superintendencia de Transporte*), which is part of the Ministry of Transportation (*Ministerio de Transporte*). The Colombian Transportation Superintendency is in charge of the evaluation and surveillance of the financial and managerial aspects of each airline, among other aspects.

Under Colombian law, air transportation is considered an essential public service (*servicio público esencial*) and, therefore, certain elements of the general conditions of carriage entered into by airlines and passengers are expressly covered under law and/or approved by Aerocivil. For this reason, any change to the conditions set forth on the contract of carriage, must request prior approval of Aerocivil. Examples of applicable regulations include the carrier liability regulated by Article 1180 of the Colombian Commercial Code and the Montreal Convention as approved and adopted by Colombia by means of Law 701 of 2001. Under these rules, airlines are responsible for

compliance with certain obligations regarding quality and passenger security, as well as for damages sustained in case of any death of, or bodily injury to, a passenger, which occurs on board, as well as for baggage loss or damage.

Passengers in Colombia are also entitled by law to compensation in cases of excessive delays, over-bookings and cancellations. Furthermore, local law establishes compensatory measures for more than one-hour delays and for flight cancellations, depending on the cause (internal or external).

Colombian major airports (Bogotá, Cali, Cartagena, Bucaramanga, Santa Marta and Medellín, among others) are privately operated through concessions. Barranquilla's airport is in the process of being returned to the government for its management. Concessions are a widely used financing method for new infrastructure in Colombia and it is generally expected that the Colombian government will maintain this form of financing, expansion projects and airport administration. Increased privatization may lead to increases in operational fees and facility leases at such airports.

Security

Chapters 160 and 175 of the Colombian Civil Aviation Regulations encompass all aspects of civil aviation security and safe transport of dangerous goods, including (i) implementation of certain security measures by carriers and airports, such as the requirement that all passenger luggage be screened for explosives, (ii) designation of restricted areas, (iii) airport control systems of airport controls for identification of passengers, (iv) inspection of vehicles and (v) transportation of firearms, explosives and dangerous goods.

Environmental Regulation

We are subject to general environmental regulations of Colombia, such as Law 99 of 1993, as amended, and other laws, decrees and local resolutions which regulate the management, use and exploitation of natural resources and their contamination. Pursuant to these regulations, we prepared Environmental Management Programs (*Programas de Manejo Ambiental*) detailing the procedures to be followed in connection with any activity that has any environmental impact, including solid and liquid waste management, hazardous waste management and the management of effluents and noise, among others. Additionally, we must maintain certain permits and authorizations for the use and management of natural resources, such as a concession for the use of drinking water. If we fail to abide by the environmental regulations or administrative acts issued by the relevant environmental authorities, we may be subject to penalties or fines for up to 5,000 monthly legal minimum wages (approximately $1.7 million) according to Law 1333 of 2009.

In addition, pursuant to the RAC, Aerocivil must comply with Colombian environmental regulations, including the environmental license issued by Colombia's National Authority of Environmental Licenses (*Autoridad Nacional De Licencias Ambientales* – ANLA), and must require the compliance of parties involved in the Colombian civil aviation industry. The RAC includes provisions and guidelines relating to noise and effluents that must be followed when providing aviation services. The RAC requires that noise levels be kept on or below the levels established under Colombian law. Compliance with noise regulation is evidenced by means of a certificate (*certificado de homologación de ruido*) that must be obtained for each aircraft from Aerocivil or the competent authority of each country member of ICAO. If noise levels by a given career exceed the limits, Aerocivil has the authority to impose fines.

If Aerocivil determines that our operations or facilities do not meet the RAC standards or otherwise fail to comply with Colombian environmental regulations, we could be subject to a fine. In March 2023, the ISO 14001:2015 certificate obtained in December 2019 was renewed. This ensures the correct environmental management and compliance for our MRO hangar and support facilities at Medellín and our Administrative and our Operational Excellence Center—in Bogotá. This certification was given by the Colombian standardization body ICONTEC, as a duly accredited entity. In the coming years we expect to maintain these environmental quality certifications and increase the number of certified facilities. We have also prepared environmental management programs designed to ensure our compliance with environmental regulations, including the requirements of the RAC. While we do not believe that compliance with these or other environmental regulations that may be applicable to us will expose us to material expenditures, compliance could increase our costs and adversely affect our operations and financial results. In addition, failure to comply with these regulations could adversely affect us in a variety of other ways.

Currently, there is an operational restriction on overflight in Bogotá between 12 p.m. and 6 a.m. For this reason, the South and North runways of BOG are limited to takeoffs in the East – West direction and landings in the West – East direction. In addition, operations from the South runway of BOG have limited overflights in Bogotá between 10:00 p.m. and 12:00 p.m., with certain exceptions, in order to comply with noise abatement procedures.

In January 2017, Colombia established a carbon tax on fossil fuels, which affects, among others, the airline industry. The Colombian Tax Authority (*Dirección de Impuestos y Aduanas Nacionales* – DIAN) issued an opinion indicating that fuel used for international flights constitutes an export, and therefore is not subject to the carbon tax. Avianca has complied with this rule by offsetting its emissions with respect to fuel consumed on its domestic flights through the purchase of carbon credits. However, pursuant to a tax reform that took effect in 2023, only 50% of the fuel consumed can be offset. Additionally, due to the aforementioned tax reform, companies engaged in the commercial sale of jet fuel must acquire a license from other Colombian authorities such as the Ministry of Commerce and Ministry of Mines and Energy to be able to supply jet fuel to carriers for international flights exempt from carbon tax. Otherwise, carriers are required to pay the carbon tax for international flights.

In 2019, the period for monitoring, reporting and verifying CO2 emissions for international flights under CORSIA by the members states of ICAO began, pursuant to which emission reports must comply with approved monitoring emissions plans. Avianca has been reporting its emissions from international flights in compliance with the CORSIA regulation, Annex XVI Volume IV along with the approved emissions monitoring plans.

Bilateral Agreements

Bilateral or multilateral agreements between countries regulate other aspects of our commercial cargo and passenger air transport, conditions, including the number of conditions for designated carriers, aircraft capacity, routes, frequencies, capacity, commercial agreements, among other conditions and other requirements. They may also establish minimum safety, security, customs and environmental requirements for each designated carrier. These agreements can be modified upon the agreement of the relevant countries at any time. We consider Colombia's principal bilateral agreements to be those with the United States, Canada, United Kingdom, Spain, the Andean Community (Ecuador, Colombia, Peru and Bolivia), Mexico, Brazil, El Salvador, Costa Rica, Chile, Guatemala, Panamá, República Dominicana, Uruguay, Paraguay, Venezuela, France, Cuba, Aruba, Curaçao and Argentina.

Aerocivil allocates rights obtained pursuant to bilateral agreements to specific airlines. Colombia has "open skies" agreements with the Andean Community countries, El Salvador, Costa Rica, Brazil and the United States, among others, pursuant to which there are no regulations on the numbers of frequencies, capacity nor points to serve.

Colombia is party to the CAN, among Bolivia, Ecuador, Peru and Colombia, which, among other things, allows airlines from these countries to operate between them without limitation on international flights. No cabotage is allowed. Colombia is also party to an Air Transport Agreement and/or Memorandum of Understanding with the following countries: Germany, French Antilles, Saudi Arabia, Australia, Austria, Bahamas, Barbados, Belgium, Cabo Verde, Canada, Chile, China, Korea, Denmark, Norway, Sweden, United Arab Emirates, Ethiopia, Finland, Greece, Holland, India, Iceland, Israel, Italy, Jamaica, Jordan, Kenya, Luxemburg, Morocco, New Zealand, Portugal, Qatar, Rwanda, Seychelles, Singapore, Switzerland, South Africa, Surinam, Turkey, Latvia, Czech Republic, Cyprus, Poland, Kuwait, Ghana, Antigua and Barbuda, Guyana, and Zambia among others.

We believe that it is likely that the Colombian government will eventually liberalize the current restrictions on international travel to and from Colombia by, among other things, granting new route rights and flights to competing airlines and generally promoting increased numbers of market participants on routes we serve. As a result of this liberalization, we could face substantial new competition, which may erode our pricing and market share and have a material adverse effect on our financial position and results of operations. In fact, in 2021 the bilateral agreement with the United Arab Emirates was updated, which opened up the possibility of new passenger services, connecting the two countries using MIA as an intermediate or beyond point, with up to seven weekly frequencies during the first year and later increasing to two daily flights, with 5th freedom rights. See "Risk Factors—Risks Related to Our Business— We face increasing competition from other global airlines due to the continuing liberalization of restrictions traditionally affecting airlines and consolidation in the industry."

Ownership and Control

The Colombian Council of State Colombia's highest administrative court (*Consejo de Estado—Sala de Consulta y Servicio Civil*), in an opinion dated April 6, 2000, declared that article 1426 of the Commerce Code, which established a 40% limitation on foreign investment in Colombian airlines, was no longer applicable as it is considered to have been tacitly overturned by Decree 1068 of 2015 (Foreign Investment Statute), and stated that, from a Colombian law perspective, there are no restrictions on foreign investment in Colombian airlines.

On the other hand, some bilateral agreements signed by Colombia condition the airlines' operations to the effective control and/or majority owned by nationals of the designating party. Among others, this is the case of the bilateral agreement between Colombia and the United States. Currently, those bilateral agreements provide that in such cases the other party may deny, revoke or impose conditions as it deems necessary to the operating permit of an airline in case it determines that there is insufficient evidence that a substantial proportion of the ownership and effective control of the airline is held or exercised by nationals of the other party. The possible conditions or decisions for each specific case are not expressly defined in the bilateral agreements and may even depend on the foreign policy of these countries.

For example, despite the condition of "substantial ownership and effective control" under the bilateral agreement between Colombia and the United States, the DOT under its policy examines, in each case, the conditions of the bilateral agreement subscribed, and the specific conditions of each airline in depth, including matters such as who controls the airline's key decisions in the airline (examining composition of the board, management and control and special voting majorities, among other factors), rather than simply looking at the airline's ownership. In this case, as a result of this evaluation, the DOT may grant a waiver of the substantial ownership and effective control requirement, as DOT did with us.

Agreements entered into by Colombia with countries such as Spain, the Netherlands, Portugal, Bolivia, Ecuador, Peru, Panama, Chile, the Dominican Republic, Cuba, and Costa Rica, among others, require that Colombian designated airlines are incorporated, have principal domicile, management, operation and offices within the Colombian territory and that its oversight and control is performed by the national aeronautical authority.

If for any reason, waivers granted are revoked or the national aeronautical authority ceases to exercise effective regulatory control, or if Avianca fails to continue to have its corporate domicile, administrative headquarters, and base of operations within Colombian territory, Avianca may no longer comply with the requirements of Colombia's bilateral agreements and, as a result, its route and landing rights may be affected, which could have a material adverse effect on our business, financial condition and results of operations.

El Salvador

Overview

Taca is a company duly organized and validly existing under the laws of El Salvador. It is duly qualified to hold property and transact business as a *sociedad anónima*, and holds all licenses, certificates and permits from governmental authorities necessary for the conduct of its business and the operation of its current network. All consents, licenses, approvals, registration and authorizations as may be required in connection with providing airline services under applicable Salvadorian laws have been duly obtained and are in full force and effect.

By means of Legislative Decree No. 126 dated September 1972, Taca was named as a national air carrier, for the effect of being considered as such in the countries where it provides or is willing to provide air transport services. Effective legal control and principal place of business remains in El Salvador.

Any failure to maintain the required foreign and domestic governmental authorizations would adversely affect our operations. We are subject to national and international regulations that may vary frequently and are beyond of our control. These may result in an increase in costs and/or operational requirements and restrictions. Also, there is uncertainty concerning governmental policies, due to a highly polarized political environment.

The government of El Salvador has declared an "open skies" policy when negotiating air transport agreements and traffic rights. The civil aviation law provides for an open skies regime and, as a result, is now open skies based on reciprocity. This new regime includes up to seventh air freedom rights for cargo operations.

Authorizations and Licenses

The civil aviation law of El Salvador requires that airlines authorized to operate national or international air transport services possess an operation certificate and an operating permit issued by the AAC. An operating permit sets forth the routes, rights and the frequency of the flights that are permitted to be flown. An operating permit is valid for five years and must be modified each time a carrier intends to add or cancel new routes or flight frequencies. In addition, a carrier is also required to present revised itineraries to the AAC each time it intends to change its schedules, the aircraft servicing its routes and flight and route frequencies must be authorized in the Operation Specification (OPSPECS). Taca has the required operating certificates and permits, which are in compliance with all regulations requiring the presentation of revised itineraries. Such revised itineraries must also be reviewed with airport authorities due to slot requirements.

The civil aviation law of El Salvador requires that carriers register their aircraft with the Salvadorian Civil Aviation Registry, or RAS, which is maintained by the AAC, and that aircraft be subject to periodic inspection by the AAC. Each of our aircraft that flies as part of Taca is properly registered with the AAC.

Bilateral and Open Skies Agreements

El Salvador is subject to multilateral and/or bilateral air transport agreements that provide the exchange conditions for international air transport services of air traffic rights between El Salvador and various other countries. Operations to countries where there is no air transport agreement have been negotiated under comity and reciprocity, such as with Peru.

El Salvador is party to a multilateral agreement known as CA-4 with Guatemala, Honduras and Nicaragua, which allows airlines from these countries to operate between them as if they were domestic flights. No cabotage is allowed. El Salvador is also party to air transport agreements or memoranda of understanding with the following countries: Brazil, Costa Rica, Dominican Republic, Germany, Spain, Mexico, United Kingdom, Cuba, China (Taiwan), Ecuador, the United Arab Emirates, Turkey, Chile, Colombia, Canada, United States, Panamá and Qatar, CA4 (Guatemala, Honduras, El Salvador and Nicaragua), as well as of the Caribbean States Association (*Asociación de Estados del Caribe*).

U.S. and International Regulation

Overview

U.S. Regulation

The provision of foreign air transportation (*i.e.*, the transportation of persons, property or mail by aircraft as a common carrier between a place in the United States and a place outside the United States) by non-U.S. airlines is subject to several U.S. laws and regulations and falls under the jurisdiction of several of federal agencies. For a non-U.S. airline to provide scheduled and/or charter service to the United States, it must have economic route authority from the DOT (in the form of a foreign air carrier permit or exemption authority), safety authority from the FAA (in the form of operations specifications) and TSA-approved model security program addressing aviation security. Additionally, non-U.S. airlines serving the United States are subject to extensive aviation consumer protection regulations of the DOT under its statutory authority to prohibit unfair and deceptive practices and unfair methods of competition in air transportation or the sale of air transportation, as well as various civil rights requirements of the DOT, including access to air travel for persons with disabilities and anti-discrimination laws. Moreover, non-U.S. airlines are subject to ongoing aviation security directives imposed by the TSA, and border security, customs, immigration and agriculture inspection requirements administered by U.S. Customs and Border Protection, or CBP and the Animal Plant and Health Inspection Service, or APHIS. Both TSA and CBP are agencies within the U.S. Department of Homeland Security, while APHIS is within the U.S. Department of Agriculture, or DOA. Each of the DOT, FAA, TSA, CBP and DOA have authority to investigate and institute proceedings to enforce their regulations

and assess civil penalties and/or suspend or revoke permits, licenses or authorizations for violations of those regulations. Our carriers serving the United States, including Avianca (Colombia), Tampa Cargo (Colombia), Taca (El Salvador), Avianca Ecuador (Ecuador) and Avianca Costa Rica (Costa Rica), hold various permits, licenses and authorizations issued by the foregoing federal agencies, and the modification, suspension or revocation of such licenses or authorizations could have a material adverse effect on us.

European Regulation

Prior to carrying out commercial charter or regular flights to, from or within the EU, foreign carriers must obtain individual operational permits or equivalent documents related to "traffic rights" from the civil aviation authorities from the relevant EU Member States, according to their local laws and applicable bilateral agreements. In addition, we must comply with the Standardized European Rules of the Air (SERA) and Airspace Usage Requirements (AUR). The State Aeronautical Information Publication (AIP), the Single European Sky (SES) implementing rules and in particular the Interoperability rules also apply.

Moreover, the EU has the Third-Country Operator (TCO) Authorization program, that ensures that commercial aircraft operating in the region are compliant with ICAO standards. The TCO Authorization is a safety authorization issued by EASA following a technical assessment. This technical authorization is a mandatory prerequisite when applying with any EASA Member State for commercial traffic rights (operating permits), which continue to be issued directly by Member States, as mentioned above. Avianca has been granted EU TCO and, after Brexit, also U.K. TCO. However, with respect to Taca, as long as it remains operating with wet leased aircrafts, there is no obligation for it to apply for EU TCO.

Because we operate flights to Spain, we are subject to Spanish regulation and authorizations by the Spanish Aviation Authority, or AESA. Our program or regular flights, including destinations as well as frequency and routing of flights to Spain has to be filed and authorized on a semi-annual basis, i.e., prior to each IATA season. Furthermore, it is mandatory for any airline of a third country to apply for and maintain special accreditation as a third country operator, issued by EASA. Both Avianca and Taca have been granted such accreditation. We must also comply with general ICAO and other regulations.

As a result of our operations from and to London, we are subject to U.K. regulation and authorizations by the U.K. Civil Aviation Authority, or CAA. Our program of regular flights, including destinations as well as frequency and routing of our flights to the United Kingdom has to be filed and authorized on a semi-annual basis, i.e., prior to each IATA season.

Following Brexit, the U.K. CAA took over the responsibility from EASA for administering TCO Authorization in respect of all commercial services undertaken within U.K. territory. This U.K. safety authorization allows non-U.K. carriers to operate commercial flights to, from and within the U.K.

We became subject to French regulations and authorizations granted by the French Aviation Authority, *(Direction Generale De L'aviation Civile)* once we began operations to Paris, France in July 2024. In addition, as a third country operator, we are required to maintain the special accreditation issued by EASA.

As some third countries have signed horizontal air traffic agreements with the EU, we may also get authorization to perform commercial and transport operations into (even though on very exceptional basis) or out of the EU territory subject to the provisions of said agreements and applicable governmental authorizations.

Authorizations, Licenses and Other Requirements

DOT

The DOT primarily regulates economic matters pertaining to air services, including the provision of foreign air transportation by non-U.S. airlines. Our carriers serving the United States hold all required economic route authorities from the DOT, allowing each such carrier to engage in foreign air transportation from points behind its homeland via its homeland and intermediate points to a point or points in the United States and beyond, to the full

extent permitted under the "open skies" bilateral air services agreement between each carrier's homeland government and the government of the United States. These authorities are held either in the form of a foreign air carrier permit or exemption authority.

Aerovías, Taca and Avianca Costa Rica also hold exemption authority from the DOT permitting them to jointly use the trade name "Avianca" and use the "AV" designator code in their services in foreign air transportation to and from the United States.

Foreign air carrier permits are issued for an indefinite duration and, before they become effective, are subject to presidential review for U.S. foreign policy and national security considerations. Exemption authority is issued for a shorter duration, typically between one and two years, and is not subject to presidential review. Exemptions must periodically be renewed upon submission of a renewal application, and may be amended, modified or suspended by the DOT at any time without having to first give the airline notice and a hearing. In contrast the DOT generally may not amend, suspend or revoke a foreign air carrier permit without providing the subject carrier the opportunity for a hearing. Exemptions and foreign air carrier permits carry a number of conditions, including compliance with DOT, FAA, TSA and other federal government agency regulations.

A number of our carriers serving the United States also participate in code-sharing operations on such flights, wherein a carrier's designator code is used to identify a flight operated by another carrier. For example, a number of scheduled flights that our carriers operate to and from the United States display the "UA" designator code of United and, as noted above, Taca and Avianca Costa Rica, when operating scheduled flights to and from the United States, display the "AV" designator code of Avianca. To engage in code-sharing on flights to and from the United States, the operating carrier must hold a DOT statement of authorization issued under 14 C.F.R. Part 212, with such approval subject to various conditions. Our carriers that display the code of another carrier on flights operated to and from the United States hold all required DOT statements of authorization to engage in such arrangements. We believe the operations of our carriers serving the United States are in material compliance with DOT requirements.

FAA

The mission of the FAA, which is to regulate civil aviation and U.S. commercial space transportation, aligns closely with our commitment to aviation safety. The FAA primarily regulates various aspects of aviation safety, including aircraft maintenance and operations, equipment, aircraft noise, ground facilities, dispatch, communications, personnel, training, weather observation, air traffic control, and other matters affecting air safety. Our carriers serving the United States adhere to operations specifications issued by the FAA pursuant to 14 C.F.R. Part 129. These specifications are subject to amendments, suspensions, or revocations by the FAA, particularly in cases where carriers fail to comply with FAA regulations.

Additionally, under the FAA's IASA program, the FAA periodically assesses another country's oversight of its air carriers that operate, or seek to operate, into the United States, or engage in code-sharing with a U.S. carrier, to determine whether the oversight complies with safety standards established by the ICAO. If the oversight meets these standards, the FAA assigns the country a Category 1 rating. Currently, each homeland for our carriers that operate to and from the United States holds a Category 1 rating by the FAA. As a result, carriers from Category 1 rated homelands may continue or expand their U.S. services without restriction and engage in reciprocal code-sharing arrangements with U.S. carriers.

If the FAA downgrades the State of the Operator of a foreign air carrier that is a party to an existing interchange arrangement from IASA Category 1 to IASA Category 2, then all interchange points must be frozen at those locations, according to FAA regulations. Such a downgrade could have significant implications for our operations, potentially prohibiting us from adding new aircraft and increasing service to the United States. Additionally, it would lead United to suspend the placement of its code on flights operated by the carrier from the downgraded homeland country. However, we believe the operations of our carriers serving the United States are in material compliance with FAA requirements.

Security Regulations

In November 2001, the Aviation and Transportation Security Act, or ATSA, allocated substantially all aspects of civil aviation security under direct federal control and created the TSA, an agency within the Department of Homeland Security, or DHS, which assumed the aviation security responsibilities previously held by the FAA. The ATSA requires, among other things, the implementation of certain security measures by airlines and airports, such as the requirement that all passenger bags be screened for explosives. Funding for airline and airport security required under the ATSA is provided in part by a $5.60 per segment passenger security fee, subject to a $11.20 per round-trip cap; however, airlines are responsible for costs in excess of this fee.

Pursuant to the ATSA, the TSA issues regulations governing foreign air carrier security. The regulations require foreign air carriers to adopt and implement a security program that covers security for operations and threat response. Our carriers serving the United States have adopted and implemented a security program in accordance with those regulations. The TSA also requires our passenger carriers serving the United States to implement the Secure Flight Program, which requires these carriers to collect certain personal information from passengers and transmit that information to TSA for comparison against watch lists maintained by the U.S. federal government. We believe the operations of our carriers serving the United States are in material compliance with TSA requirements.

Since the events of September 11, 2001, the TSA has implemented numerous security procedures and requirements that have imposed and will continue to impose burdens on airlines, passengers and shippers. The TSA was granted authority to impose additional fees on air carriers if necessary to cover additional federal aviation security costs. Pursuant to its authority, the TSA may revise the way it assesses such fees, which could result in increased costs for passengers and/or us. We cannot predict what additional security and safety requirements may be imposed in the future or the costs or revenue impact that would be associated with complying with such requirements.

Environmental and Climate-Related Regulation

We are subject to various federal, state and local U.S. laws and regulations relating to the protection of the environment and affecting matters such as aircraft engine emissions, aircraft noise emissions, and the discharge or disposal of materials and chemicals, which laws and regulations are administered by numerous state and federal agencies. Pursuant to these regulations, we prepared Environmental Management Programs (*Programas de Manejo Ambiental*), detailing the procedures to be followed in connection with any activity that has any environmental impact, including solid and liquid waste management, hazardous waste management and the management of effluents and noise. The Environmental Protection Agency, or EPA, regulates our operations in the United States, including air carrier operations, which affect the quality of air in the United States. If we fail to abide by applicable environmental regulations, we may be subject to penalties or fines.

Our operations are subject to a variety of other environmental laws and regulations both in the United States and internationally. These include noise-related restrictions on aircraft types and operating times and state and local air quality initiatives which have resulted or could in the future result in curtailments in services, increased operating costs, limits on expansion, or further emission reduction requirements. Certain airports and/or governments, both domestically and internationally, either have established or are seeking to establish environmental fees and other requirements applicable to carbon emissions, local air quality pollutants and/or noise. The implementation of these requirements is expected to result in restrictions on mobile sources of air pollutants such as cars, trucks and airport ground support equipment in corresponding locations. Further, efforts to reduce and/or disclose carbon emissions through environmental sustainability legislation and regulation, or non-binding standards or accords, is an increased focus of global, national and regional regulators. Our operations may be subject to regulations in the United States and abroad that would require us to disclose certain information such as greenhouse gas emissions data and climate-related financial risks. Future costs to comply with such regulations are likely to increase our operating costs over time.

Addressing climate change concerns, in 2016, the ICAO, adopted a resolution creating the CORSIA, providing a framework for a global market-based measure to stabilize carbon dioxide emissions in international civil aviation. Under CORSIA, airline operators with annual emissions greater than 10,000 tonnes of carbon dioxide are required to report their emissions from international flights on an annual basis. Operators must keep track of their fuel use for each individual flight in order to calculate their carbon dioxide emissions. Subject to a phase-in schedule,

airline operators will be required to use sustainable aviation fuel or obtain and retire carbon offset credits corresponding to their carbon dioxide emissions above an established baseline. From 2021 until 2026 (pilot phase from 2021 to 2024; and first phase from 2024 to 2026), only flights between nations that volunteer to participate in CORSIA (which includes the United States and most European nations) will be subject to offsetting requirements. From 2027, on a global basis, most international flights will be subject to offsetting requirements. Avianca has been reporting its emissions from international flights in compliance with the Corsia regulation, Annex XVI Volume IV along with the approved emissions monitoring plans. However, Colombia, and certain other nations which we serve, are not currently participating in CORSIA.

In addition to the regulation of international flights under CORSIA, the EU and the U.K., have established emissions trading system frameworks, respectively the "EU-ETS" and "UK-ETS," governing flights entirely within the borders of the EU and the European Economic Area, or EEA, or the U.K., respectively. Under EU-ETS and UK-ETS, airlines have a pre-established amount of carbon dioxide emissions for each year, which are then reduced over time, similar to a "cap and trade" system. Airlines must report and verify emissions related to this scheme and surrender the allocated allowances in time in order to comply. Should operations exceed the maximum allocated emissions, airlines must either acquire more from the market or pay a corresponding fee to a relevant governmental authority. Although, the impact of CORSIA and EU-ETS and UK-ETS cannot be fully predicted, and it is possible that these regulatory programs may be expanded or otherwise revised in the future (including the possible extension of the EU-ETS to flights not entirely within the borders of the EU or EEA), they are nevertheless expected to result in increased operating costs for us and other airlines that operate internationally.

Other Regulations

Our carriers serving the United States are subject to other regulations promulgated by CBP within DHS as well as APHIS within DOA. CBP agents inspect baggage and cargo to ensure, among other things, that items meet APHIS regulations related to the importation of animal and plant products. Also, CBP officers are responsible for immigration controls and other security controls, such as the verification of transmittal of passenger information via the Advanced Passenger Information System, that it is an obligation of the carrier. We believe the operations of our carriers serving the United States are in material compliance with CBP and APHIS requirements.

In the United States, we are subject to certain provisions of the Communications Act of 1934, as amended, and are required to obtain an aeronautical radio license from the FCC. To the extent we are subject to FCC requirements, we will take all necessary steps to comply with those requirements. We are also subject to state and local laws and regulations at the locations where we operate and the regulations of various local authorities that operate the airports we serve.

Additionally, we are in line with the Air Cargo Advance Screening—ACAS report, which seeks to make an advance presentation of goods entering the US by air and whose report is verified by CBP, is complied with, according with Code of Federal Regulations Title 19, chapter 1, part 122 Subpart E 122.48b.

Other Jurisdictions

We are also subject to regulation by aviation regulatory bodies which set standards and enforce national aviation legislation in each of the other jurisdictions to which we fly, including Costa Rica, Guatemala and Ecuador. These regulators may exercise powers associated with their duties, potentially including the ability to set fares, enforce environmental and safety standards, levy fines or restrict operations within their respective jurisdictions. We cannot predict how these regulatory bodies will act, and the evolving standards enforced by any of them could have a material adverse effect on our operations.

MANAGEMENT

Directors and Executive Officers

Board of Directors

AGIL's board of directors consists of three members, which as of the date of this Exchange Offer and Consent Solicitation Memorandum, include Mr. Adrián Neuhauser, Mr. Nicolás Alvear and Mr. Richard Galindo.

Pursuant to the Management Services Agreement entered into by AGIL and IV1L on September 5, 2022, last amended on August 16, 2024 (the "Board Services Agreement"), IV1L renders certain board services to AGIL and its subsidiaries. See "Related Party Transactions— Board Services Agreement." The following table presents information about each of IV1L's directors including their ages as of the date of this Exchange Offer and Consent Solicitation Memorandum.

Name	Age	Position
Directors		
Roberto Kriete	71	Chairman
Adrián Neuhauser	51	Director
Richard Schifter	71	Vice-Chairman
Frederico Pedreira	48	Director
Álvaro José Aguirre	58	Director
Constantino de Oliveira Junior	56	Director
Gonzalo Restrepo	73	Independent Director
Kerry Philipovitch	54	Independent Director
Patrick Kiblisky	57	Director
Robert Fornaro	71	Independent Director
Simon Duffy	75	Independent Director
Steven Maxwell	36	Director

Roberto Kriete joined IV1L's board of directors on March 31, 2022. Prior to joining IV1L's board, Mr. Kriete served as chairman of the board of directors of AGIL from December 2021 until March 2022, and as chairman of the board of directors of AVH from February 2010 to August 2013 and from May 2019 to December 2021. Previously, he was a director of Taca from 1982 to February 2010 and Chief Executive Officer of Taca from 2001 to February 2010. Mr. Kriete is also a founder and member of the board of directors of Volaris in Mexico and a former president of the Latin American Association of Airlines ("ALTA"). He currently serves as chairman of Kingsland International Group S.A., one of the major shareholders of the Avianca Group prior to its Chapter 11 restructuring and currently one of Abra's major shareholders, as president of the Kriete Investment Company Group and as president of the Gloria de Kriete Foundation. Mr. Kriete is also a member of the boards of Teléfonos de México, S.A.B. de C.V. and Escuela Superior de Economía y Negocios. Mr. Kriete was selected to serve on IV1L's board of directors because of his extensive experience in the airline industry.

Adrian Neuhauser joined IV1L's board of directors on March 2022. Mr. Neuhauser served as IV1L's board of directors executive vice-chairman from January 1, 2024 to June 11, 2024. He has also been a member of AGIL's board of directors since December 2021. Previously, he served as Chief Financial Officer of AVH from August 2019 until April 2021, and as President of AVH from November 2020 until April 2021. Mr. Neuhauser has also served as Chief Executive Officer of IV1L since June 2024 (and previously, from April 2021 to January 2024) and as Chief Executive Officer of Abra since January 2024. He has also been on the board of directors of Gol since April 28, 2023. Mr. Neuhauser led AVH's out-of-court restructuring in 2019 and played a pivotal role in orchestrating the successful Chapter 11 reorganization and emergence during the COVID-19 pandemic, and subsequently, leading our transformation to a cost-efficient operation. In 2022, Mr. Neuhauser was appointed as Chairman of the Executive Committee of ALTA. With over 20 years of experience as an investment banker, he developed extensive expertise in advising clients in the transportation sector, encompassing airlines, aircraft lessors, railroads, and logistics companies. Mr. Neuhauser was Managing Director, Head of Chile Investment Banking at Credit Suisse from 2016 to 2019. Previously, he held senior positions at Deutsche Bank, Bank of America and Merrill Lynch. Between 2012 and 2014,

he served as President of Railex, a refrigerated unit train and third-party logistics provider that was subsequently acquired by Union Pacific.

Richard Schifter joined IV1L's board of directors on March 2022. Mr. Schifter also serves as Senior Advisor at TPG Capital, in which he was a partner from 1994 to 2013, and is a member of the board of directors of Caesars Entertainment Corp., LPL Financial Holdings, Inc. and ProSight Global, Inc. as well as member of the board of supervisors of the Law School of the University of Pennsylvania and co-director of the National Advisory Board of Youth, Inc. Previously, he was a member of AVH' and AGIL's board of directors from March 2019 to March 2022. Throughout his career, he has been a member of the board of directors of Midwest Airlines, Inc., EverBank Financial Corp., Mtel Latin America Inc., Controladora Milano, SA de CV, Alpargatas SAIC, Bristol Group SA, Grupo Milano, SA, Corporación General Directa, Productora de Papel SA de CV (Propasa), Empresas Chocolates La Corona, SA de C.V. (The Crown), Republic Airways, Ecoenterprises Fund, Gate Gourmet International, American Beacon Advisors, Inc., American Airlines Group Inc. America West Holdings Corp., U.S. Airways Inc. and Ryanair Holdings PLC. Mr. Schifter was selected to serve on IV1L's board of directors because of his extensive experience in the airline industry.

Frederico Pedreira joined IV1L's board of directors on January 1, 2024. Since June 2024, he has also served as AGIL's Chief Executive Officer and President from where he leads the day-to-day operation of our airlines. Previously, Mr. Pedreira served as the Chief Executive Officer of IV1L from January 1, 2024 to June 11, 2024, as AGIL's Deputy Chief Executive Officer from September 2023 to January 2024, and as AGIL's Chief Operating Officer from January 2021 until September 2023. Mr. Pedreira held various key positions within Oceanair Linhas Aéreas S.A., including Chief Financial Officer from 2010 to 2013, Executive Vice President from 2013 to 2015 and Chief Executive Officer from 2015 to 2018. His extensive experience spans business transformation processes, customer service enhancements, and management changes in both corporate and non-profit organizations.

Álvaro José Aguirre joined IV1L's board of directors on March 31, 2022. Mr. Aguirre has over ten years of experience serving in public and private boards in the financial industry, including as a director of Central Pacific Bank from 2011 to 2015. Mr. Aguirre currently serves on the boards of directors of J. Crew Group, Leeward Renewable Energy, and Curinos. Prior to joining Avianca, Mr. Aguirre held roles as Managing Director and Portfolio Company Chief Financial Officer at Warburg Pincus and as Chief Executive Officer and Chief Financial Officer at various private equity and venture-backed companies (Method Inc., Quantum Shift Inc., and Tradeum Inc.). Mr. Aguirre was selected to serve on our board of directors because of his extensive experience in strategy, governance, executive compensation, senior talent acquisition, operational improvements, M&A, financings, and exits.

Constantino de Oliveira Junior joined IV1L's board of directors on April 3, 2023. Mr. de Oliveira Junior is the founder of Gol Linhas Aéreas Inteligentes S.A., one of the largest and first low-cost carrier airline services in Latin America, and served as its Chief Executive Officer from 2001 to 2012. He also formerly also served as Chairman of ABRA's board of directors. From 1994 to 2000, Mr. de Oliveira Junior served as director of a land passenger transportation company. Mr. de Oliveira Junior was selected to serve on IV1L's board of directors because of his extensive leadership and management experience in the aviation industry.

Gonzalo Restrepo joined IV1L's board of directors as an independent member on March 31, 2022. He has over 20 years of experience serving as a board director of leading Colombian companies. Mr. Restrepo is the former President and Chief Executive Officer of Almacenes Éxito. In 2013, he received the Cross of Boyacá in the Order of Grand Official, the highest decoration and distinction of the Colombian state, given by the President of the country. Mr. Restrepo was selected to serve on IV1L's board of directors because of his extensive experience with management, international business negotiation and global operations.

Kerry Philipovitch joined IV1L's board of directors as an independent member on March 31, 2022. She has over 20 years of experience in airline operations, commercial and customer experience. Ms. Philipovitch is a board member of Sun Country Airlines, technology start-up OptIn and hospitality wine management company Intervine. Previously, she served in various airline operations roles, including as Senior Vice President at American Airlines, Senior Vice President at US Airways, and Managing Director at Northwest Airlines. Ms. Philipovitch was selected to serve on IV1L's board of directors because of her extensive experience in the airline industry and with corporate directorship, governance, operations and commercial and customer experience.

Patrick Kiblisky joined IV1L's board of directors on March 31, 2022. He has over 20 years of experience as a board director of South American health, sports and logistics companies. Mr. Kiblisky has previously served in private client service roles at Lehman Brothers, CSFB, Smith Barney and UBS. Mr. Kiblisky was selected to serve on IV1L's board of directors because of his extensive experience with board governance in South America.

Robert Fornaro joined IV1L's board of directors as an independent member on March 31, 2022. He has over 20 years of experience in the transportation and travel industry. Mr. Fornaro currently serves as a board member of WestJet Airlines and as an advisor to Southwest Airlines. Previously, Mr. Fornaro served as the Chief Executive Officer of Spirit Airlines, and the President, Chief Financial Officer, Chief Operating Officer and then Chief Executive Officer of AirTran Airways. Mr. Fornaro was selected to serve on IV1L's board of directors because of his extensive experience in the transportation and travel industry.

Simon Duffy joined IV1L's board of directors as an independent member on March 31, 2022. Mr. Duffy serves as a director of Viaplay Group (STO: VPLAY-B) and has been a member of the board of directors of several private companies, and formerly served as an independent director of Wizz Air (London: WIZZ). Mr. Duffy previously served as Executive Chairman of Tradus PLC until the company's sale in 2008 and Executive Vice Chairman of NTL:Telewest until 2007, having joined NTL in 2003 as Chief Executive Officer. Mr. Duffy has also served in various other leadership positions, including as Chief Financial Officer of Orange SA, Chief Executive Officer of End2End AS, Chief Executive Officer and Deputy Chairman of WorldOnline International BV, and senior positions at EMI Group PLC and Guinness PLC. Mr. Duffy was selected to serve on IV1L's board of directors because of his extensive experience in the aviation industry.

Steven Maxwell joined IV1L's board of directors on August 24, 2023. Mr. Maxwell is the Chief Financial and Investment Officer of the Irelandia Group. He has extensive experience in the aviation industry, including as the founding Chief Financial Officer, executive committee and board member of VivaAir Group, and as senior management at VivaAerobus. Mr. Maxwell was selected to serve on IV1L's board of directors because of his extensive experience in the aviation industry.

The IV1L's board of directors has established an audit committee, which as of the date of this Exchange Offer and Consent Solicitation Memorandum is composed of Mr. Simon Duffy (who is an independent member), Mr. Patrick Kiblisky, Mr. Roberto Kriete and Mr. Steven Maxwell.

Executive Officers

The following table presents information about each of AGIL's executive officers including their ages as of the date of this Exchange Offer and Consent Solicitation Memorandum.

Name	Age	Position
Executive Officers		
Frederico Pedreira	48	Chief Executive Officer and President
Nicolás Alvear	38	Chief Financial Officer
Gabriel Oliva	46	Chief Operating Officer and Chief Executive Officer of Avianca Cargo
Fernando Lara	56	Chief Information Officer
Richard Galindo	45	Chief Legal Officer and General Counsel
Renato Covelo	49	Chief People and Talent Officer
Otto Gergye	48	Chief Commercial Officer
Valeria Yglesias	49	Managing Director of Loyalty

Frederico Pedreira – see "—Board of Directors."

Nicolás Alvear has served as our Chief Financial Officer as well as a member of AGIL's Board of Directors since January 1, 2025. Prior to assuming this role, Mr. Alvear served as our Vice-President of Treasury from July 2023 to December 31, 2024, and, from July 2021 to December 31, 2024, as the Chief Financial Officer of LifeMiles where he successfully led strategies that have enabled LifeMiles to strengthen its financial structure, making it one of the largest and most recognized loyalty programs in Latin America. Before joining the Avianca Group, Mr. Alvear

had over eight years of experience in investment banking and securities groups, including Bank of America Merrill Lynch and Credit Suisse. Mr. Alvear holds a Bachelor of Arts (BA) in Economics and Operations Research from Columbia University, and a Master of Business Administration (MBA) from the Wharton School of the University of Pennsylvania.

Gabriel Oliva has served as our Chief Operating Officer since September 2023 and Chief Executive Officer of Avianca Cargo since 2021. Mr. Oliva joined the Avianca team as Chief Executive Officer of Avianca Cargo in August, 2021. Mr. Oliva has more than 20 years of leadership experience, with the last 13 years spent within the airline industry. Before joining Avianca, he held the position of Senior Vice President for the North America, Europe, and Asia-Pacific regions at LATAM Airlines Cargo from 2017 to 2021. He had previously held other senior roles at LATAM Airlines, and worked at the Boston Consulting Group and Siemens.

Fernando Lara has served as our Chief Information Officer since September 2021. From 2016 to 2021, he served as C-Executive Consultant for Air Canada, Chief Information Officer of Interjet Airlines, and as Chief Executive Officer of Transcend Consulting. In 2010, he joined the Avianca Group as Vice-President Information Technology, leading its critical technology projects until 2016. Mr. Lara joined Grupo TACA in 1991, serving in multiple executive roles and areas.

Richard Galindo has served as our Chief Legal Officer since February 2022 and as General Counsel since November 2020. He is also a member of AGIL's Board of Directors since June 7, 2022. Previously, he served in various senior legal roles at the Avianca Group from 2017 to November 2020. In his role as the General Counsel, Mr. Galindo was integral to the Company's successful Chapter 11 reorganization and emergence. Prior to joining the Avianca Group, Mr. Galindo served as director of the corporate/M&A practice group at Brigard Urrutia and worked in other law firms, including Withers (New York) and other Colombian law firms. Mr. Galindo is admitted to the practice of law in Colombia and in the State of New York.

Renato Covelo joined the Company in December of 2016 as Legal Vice-president and has served as our Chief People and Talent Officer since December 2019. Mr. Covelo held this position when AVH filed its Chapter 11 reorganization plan in May 2020. Prior to joining the Avianca Group, he served as Legal Director and General Counsel at Azul Linhas Aéreas Brasileras, a Brazilian LCC, from 2008 to 2016. Mr. Covelo has also served at several prominent law firms, including Machado, Meyer, Sendacz e Opice Advogados in Sao Paulo, Brazil, and within the legal departments of several other organizations in Brazil. He was nominated and confirmed as President of the Brazilian Bar Association's Aviation Law Committee.

Otto Gergye joined the Company in January 2025 as Chief Commercial Officer. Mr. Gergye has more than 20 years of experience in the tourism and aeronautical sectors. Before joining Avianca, he has led commercial processes in multiple companies, whether in strategic planning, business development, sales or revenue optimization. Mr. Gergye served as Director of Revenue at Thai Airways, Vice President of Consulting services at Sabre, Sales and Commercial manager at Qantas for Asia, Chief Commercial Officer at Fiji Airways, among many other commercial roles at Air Berlin, British Airways, Amadeus and KLM.

Valeria Yglesias was appointed as our Managing Director of Loyalty effective January 1, 2025. Previously, Ms. Yglesias served as LifeMiles Chief Commercial Officer from November 2019 to December 31, 2024, and under this role she was responsible for strengthening our loyalty program and commercial strategic partnerships. Ms. Yglesias has a diverse work experience spanning over two decades. Before joining LifeMiles, from October 2010, she worked at TACA as a Loyalty Sales Manager for Central America, where she managed relationships with commercial partners. Previously, Ms. Yglesias held management positions at Kellog and Shell, where she oversaw the strategic guidance, coordination, and development of marketing and category management initiatives. Ms. Yglesias holds a Bachelor of Science in Business and Marketing from the University of Costa Rica and a Master of Business Administration from INCAE Business School. In 2019, Ms. Yglesias attended Kellogg Executive Education for a short-term program specializing in digital marketing strategy. Ms. Yglesias also holds a certificate in Women's Leadership from the Harvard Division of Continuing Education.

Family Relationships

As of the date of this Exchange Offer and Consent Solicitation Memorandum, there are no family relationships among any of our executive officers or directors.

Compensation

Our senior management (as the term is used in this section, members of our administrative, supervisory or management bodies, including chief officers and vice presidents) compensation generally consists of (i) a base salary, which is set on market terms and subject to periodic review and adjustment, and (ii) an annual performance cash bonus paid pursuant to a variable compensation plan. Our senior management also receive benefits generally in line with market practice in Colombia and the other countries in which we operate, as well as statutory benefits, including pension contributions. For the nine months ended September 30, 2024 and the year ended December 31, 2023, the compensation expense for AGIL's key management personnel was $30.8 million and $38.3 million, respectively.

Non-employee members of IV1L's board of directors receive an annual cash retainer, which is payable quarterly in four equal installments pursuant to the Board Services Agreement, and additional amounts for serving as chair or vice-chair of our board of directors or one of its committees. For the nine months ended September 30, 2024 and the year ended December 31, 2023, AGIL paid to IV1L $0.8 million and $1.1 million, respectively, for such services, which represent the fees payable to members of IV1L's board, plus expenses incurred by IV1L to provide such services.

Non-employee members of IV1L's board of directors are entitled, together with one other companion, to travel on our domestic and international flights at a discounted rate consisting of a nominal service charge plus taxes. Our executive officers are also entitled to the same benefit with respect to their children. In addition, non-employee members of IV1L's board of directors receive 1,000,000 of unrestricted LifeMiles per year and an annual stipend of $6,000 to offset, in whole or in part, tax liabilities arising from the unlimited travel discount and annual LifeMiles benefits, if any.

Agreements with our Senior Management

Certain of our senior management have entered into employment agreements with us or other companies within the Avianca Group, certain of which provide for, among other things, severance provisions and/or certain change of control provisions and include restrictive covenants, including with respect to confidentiality, non-competition, non-solicitation and exclusivity. Our employment agreements with members of our senior management team may be terminated by them at any time, subject to any notice and other applicable provisions set forth therein. Pursuant to our compensation letters/service contracts with the non-employee members of our board of directors, neither we nor our subsidiaries provide benefits to such members of our board of directors upon termination of service from the board.

PRINCIPAL SHAREHOLDERS

The Issuer is an indirect wholly-owned subsidiary of AGIL. AGIL was created on September 27, 2021 to be the successor holding company following the reorganization of the AVH Debtors, pursuant to Chapter 11 of the Bankruptcy Code. The AVH Debtors first filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court, on May 10, 2020, as a result of the impact of the COVID-19 pandemic. On November 2, 2021, the Bankruptcy Court entered an order confirming the AVH Debtors' proposed Plan, and on the Effective Date, the Plan became effective pursuant to its terms and the Avianca Group emerged from bankruptcy. In accordance with the Plan, on the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, substantially all of AVH's assets and restructured liabilities were transferred to AGIL. On March 31, 2022, IV1L was interposed between AGIL and its shareholders by way of a 1:1 share for share exchange. As a result of this corporate reorganization: (i) AGIL's former shareholders became IV1L's shareholders; (ii) IV1L became the sole shareholder of AGIL, as well as the holding entity of the Avianca Group; and (iii) the corporate structure below AGIL remained substantially unaltered.

On May 10, 2022, the principal shareholders of the Avianca Group and the then-controlling shareholder of Gol, entered into an agreement to create a leading air transportation group across Latin America under a holding company structure named Abra, bringing together the iconic avianca and Gol brands. On April 3, 2023, this transaction, which we refer to as the Abra Transaction, closed and the then-shareholders of IV1L transferred their shares therein to Abra in exchange for shares in Abra. As a result, Abra became our ultimate parent. Therefore, 100% of IV1L's ordinary shares are owned by Abra as of the date of this Exchange Offer and Consent Solicitation Memorandum.

The following table sets forth Abra's principal shareholders as of September 30, 2024:

Shareholders	Total Number of Common Shares	% of Common Shares	Total Number of Warrants[1]	% of Common Shares and Warrants
Mobi Group[2]	828,001,237	33.33	17,215,269	32.96
South Lake One Subco, LLC	372,236,172	14.99	7,736,691	14.82
Elliott Group[3]	303,564,497	12.22	9,611,572	12.21
Kingsland Group[4]	404,283,902	16.28	3,734,034	15.91
United Airlines Inc.	219,303,532	8.83	—	8.55
Former Viva Investors[5]	147,173,127	5.92	—	5.74
Others	209,423,280	8.43	42,041,103	9.81
Total	**2,483,985,747**	**100%**	**80,338,669**	**100%**

(1) Warrants exercisable into 80,338,669 shares prior to certain liquidity events.
(2) Includes Mobi Fundo de Investimento em Participações Multiestratégia, Path-Brazil LLC and Linxia Corp., investment vehicles controlled by Constantino Junior.
(3) Includes Elliott Associates, L.P., Elliott International, L.P., Zagat Investments Limited and Manchester Securities Corporation.
(4) Includes Kingsland International Group S.A. and its affiliates (KHLI S.A., K Ventures S.A., Acceleration Investments, L.P., Acceleration Investments II, L.P., Acceleration Investments III, L.P., GRI Investments Inc., The Rossy Foundation, 3457745 Canada Inc., The Leonard T. Assaly Family Foundation, The David Family Foundation, 12353296 Canada Inc. and Castello Fund SCSp, SICAV-RAIF).
(5) Includes Global Kiboko SL and Pangaea Three-B, LP., former controlling shareholders of Viva Air.

RELATED PARTY TRANSACTIONS

The following is a description of certain related party transactions we have entered into or amended since January 1, 2022, including transactions with the following: (i) entities that control or are under common control with us, (ii) individuals that own 10% or more of the voting power in the Company and close family members thereof, (iii) executive officers of the Company and close family members thereof and (iv) directors of the Company.

Commercial Transactions

In April 2022, we entered into an intercompany agreement with our shareholder IV1L in which we provided funds to IV1L in a total principal amount of $97.8 million. This intercompany loan has a term of five years, the interest for which to be capitalized on and added to the outstanding balance, to be paid on the maturity date. As of September 30, 2024, the total outstanding amount under this loan was $121.4 million ($97.8 million as an initial loan and $23.6 million for amortization and interest capitalization), including account receivables of $123.9 million and account payables of $0.5 million. For the nine months ended September 30, 2024 and 2023 and the years ended December 31, 2023 and 2022, we recognized interest income of $8.8 million, $5.8 million, $9.4 million and $0.8 million in connection with intercompany loan, respectively.

In 2022, we also had revenues from transactions with MROH, a company in which a member of IV1L's board of directors holds a minority interest, in the amount of $2.1 million. No material revenues were recognized or expenses incurred prior to December 31, 2022.

In 2023, we recognized expenses of $2.5 million in connection with the payment of the second installment of the success fee owed to the investment bank Caoba Capital S.A. for advisory services in connection with the acquisition of the economic rights of the Viva airlines by IV1L. A member of IV1L's board of directors holds an equity interest in Caoba Capital S.A.

In addition, as of September 30, 2024 we had a receivable in the amount of $5.9 million with Abra, for reimbursement of Abra expenses paid by us. See Note 9 to our audited financial statements and Note 10 to our condensed interim financial statements included elsewhere in this Exchange Offer and Consent Solicitation Memorandum for further information on related party transactions.

On September 26, 2024, Avianca entered into the MROH Transaction with MROH. Avianca will not receive any cash consideration for the transfer, but instead will receive heavy maintenance services at the MRO Facility under preferential conditions. The transaction involves, among other things: (i) a transfer of personnel associated with the MRO facility (by virtue of an employer substitution (*sustitución patronal*) and (ii) transfer of assignable regulatory permits. The agreement between Avianca and MROH, or the MROH Agreement, contemplates a transition services arrangement by which Avianca will provide MRO services to MROH's clients between signing and closing, and if the MROH Agreement is terminated (as a result of the expiration of the term or any other right of termination) the MRO facility will be transferred back to Avianca. The MROH Transaction is expected to close no later than March 26, 2026.

Intercompany Strategic and Advisory Services Agreement

On December 18, 2024, our subsidiary Aerovías and Abra entered into an Intercompany Strategic and Advisory Services Agreement (the "Strategic and Advisory Services Agreement"), whereby Aerovías has engaged Abra to provide to the recipients specified below strategic advisory and consulting services (the "Services"), comprising analyses, review, recommendations, and leadership on strategic projects and initiatives supporting the growth of Aerovías, its affiliates and any Beneficiary (as described below), including, among others, commercial, financing, accounting, tax, sustainability, and loyalty initiatives, as well as the identification, support and execution of mergers and acquisitions, new financing structures and refinancing current debt).

The recipients of the Services are (i) Aerovías, (ii) any person that directly or indirectly controls, is controlled by or is under common control with Aerovías (except for Abra, Abra Group Platform Services LLC and Abra Global Finance) and (iii) any other person (x) of which more than 50% of the economic rights therein are held, possessed or

owned, directly or indirectly, by Aerovías or an affiliate of Aerovías, or (y) which belongs to the same economic group as Aerovías (which clauses (x) and (y) we refer to as a "Beneficiary" and which are subject to be recipients of the Services upon the execution of a joinder to the Strategic and Advisory Services Agreement).

In consideration for the Services, Aerovías has agreed to pay Abra a quarterly fee (the "Quarterly Fee") calculated as the Operating Costs accrued during the applicable quarter plus 12%. Operating Costs are defined as Abra's actual total operating costs (internal and external) incurred for Abra to provide the Services, including (i) costs, and (ii) selling, general, and administrative costs (SG&A), including rent, payroll, licenses, external expenses to service providers and advisors, travel costs, and overhead costs (including allocations of corporate support and corporate back-office functions).

In January of every calendar year, Abra must promptly provide Aerovías with the following information regarding the corresponding year: (i) an estimate of the Quarterly Fees to be paid during each quarter of the calendar year, (ii) a list of the specific services to be provided detailing the scope of work, and (iii) the functional teams involved, which is subject to approval by Aerovías (such approval not to be unreasonably withheld, delayed or conditioned) before Abra commences providing the Services for such calendar year.

The Strategic and Advisory Services Agreement has an initial term (the "Initial Term") of five years from December 18, 2024, expiring on December 18, 2029. Upon expiration of the Initial Term, the Strategic and Advisory Services Agreement automatically renews for successive terms of five years each, unless either party provides notice to the contrary at least 30 days prior to the expiration of the then-current term. In addition, the Strategic and Advisory Services Agreement may be early terminated (i) at the election of the non-defaulting party upon the occurrence of an event of default once any applicable time to cure has lapsed or (ii) for any reason by either party upon at least 30 days' prior written notice, without any penalties or termination fees. The Strategic and Advisory Services Agreement can be changed or modified by an agreement in writing by both parties.

The following constitute events of default under the Strategic and Advisory Services Agreement: (i) with respect to Aerovías, the failure to make any undisputed monetary payment when due that is not cured within 15 business days of written notice by Abra, and (ii) with respect to either party, (x) the failure to perform or comply with, in any material respect, any of the covenants, agreements, terms or conditions contained therein, subject to certain requirements to attempt to cure, (y) the occurrence of certain bankruptcy- or receivership-related events or (z) the failure to meet certain ethics and compliance requirements.

At the request of Aerovías, upon a termination or non-renewal of the Strategic and Advisory Services Agreement for any reason, Abra will provide transition assistance to Aerovías as necessary to transfer the applicable Services to Aerovías or its designated third-party provider, provided that all incremental costs incurred by Abra in the course of providing such transition assistance in addition to the Services are reimbursable.

Disputes under the Strategic and Advisory Services Agreement, including disputes with respect to any Quarterly Fee, are subject to arbitration to be conducted in New York in accordance with the American Arbitration Association Rules then in force.

Pursuant to the Strategic and Advisory Services Agreement, Aerovías paid Abra $11.8 million in 2024, which includes payment for Services rendered by Abra to Aerovías during the second half of 2024. Such payment is expected to be reflected in our results for the fourth quarter of 2024.

Board Services Agreement

On September 5, 2022, AGIL and IV1L entered into the Board Services Agreement, last amended on August 16, 2024, whereby, subject to the supervision of AGIL's board of directors and senior management, IV1L renders certain board services to AGIL and its subsidiaries, including (i) directing the ordinary businesses of AGIL; (ii) approving and periodically monitoring the strategic plan, business plan, management objectives and the annual budgets of AGIL; (iii) defining the organizational structure of AGIL; (iv) approving strategic investments, divestments and operations of AGIL; (v) approving the information and communication policy with shareholders, other stakeholders and the market; and (vi) ensuring strict compliance with organizational documents and legal

requirements related to the governance of AGIL. For the nine months ended September 30, 2024 and the year ended December 31, 2023, AGIL paid to IV1L $0.8 million and $1.1 million, respectively, for such services, which represent the fees payable to members of IV1L's board, plus expenses incurred by IV1L to provide such services.

DESCRIPTION OF THE NEW NOTES

New Notes Indenture

The New Notes will be issued under the New Notes Indenture, substantially in the form attached hereto as Exhibit A. We urge you to read the New Notes Indenture, because this document defines your rights as a holder of the New Notes.

For a comparison of the differences between the current terms of the Existing Notes and the terms of the New Notes, see "Redline Comparison Between the Existing Notes Indenture and the Form of New Notes Indenture" attached hereto as Exhibit B.

Security for the New Notes

Collateral generally

Collateral

The New Notes and the New Notes Guarantees will be secured by (i) the assets of the LifeMiles Guarantors consisting of substantially all of the assets of the LifeMiles Guarantors including, without limitation, equity interests in the LifeMiles Guarantors (including LifeMiles Ltd.) and the LifeMiles program assets consisting of intellectual property, data, agreements, and receivables owing to the LifeMiles Guarantors arising out of the LifeMiles program (including intercompany receivables, subject to a materiality threshold), other than the LifeMiles Excluded Assets (as defined below) (collectively, the "LifeMiles Collateral") on a *pari passu* basis with the Refinancing Notes, (ii) to the extent pledged to secure the Refinancing Notes, additional collateral of the Issuer and the Existing Notes Guarantors, other than the Excluded Assets (as defined below) (the "Additional Collateral") on a *pari passu* basis with the Refinancing Notes and (iii) substantially all of the other assets of the Issuer and the Existing Notes Guarantors, other than the Existing Excluded Assets (as defined below) (collectively, the "Existing Collateral" and, together with the LifeMiles Collateral and the Additional Collateral, the "New Notes Collateral"), on a *pari passu* basis with the Existing Notes (to the extent the Required Consents for the Proposed 90% Amendments are not received) and the Refinancing Notes, in each case, subject to Permitted Liens.

The Issuer and the New Notes Guarantors are able to incur and will be able to incur additional indebtedness in the future which could share in the New Notes Collateral, including additional first-priority secured debt and other obligations secured by Permitted Liens, subject to the covenants included in the New Notes Indenture.

Certain limitations on the New Notes Collateral

Excluded Assets

LifeMiles Excluded Assets

The LifeMiles Collateral securing the New Notes will not include any of the following assets (the "LifeMiles Excluded Assets"):

(a) any asset (including any General Intangibles (as defined in Article 9 of the UCC) and any contract, instrument, lease, license, permit, agreement or other document, or any property or other right subject thereto (including pursuant to a purchase money security interest, capital lease or similar arrangement or, in the case of after-acquired property, pre-Existing Collateral Secured Indebtedness not incurred in anticipation of the acquisition by a LifeMiles Guarantor of such property)) the grant or perfection of a security interest in which would (i) constitute a violation of a restriction in favor of a third party (other than a LifeMiles Guarantor) or result in the abandonment, invalidation or unenforceability of any right or assets of the relevant LifeMiles Guarantor, (ii) result in a breach, termination (or a right of termination) or default under any such contract, instrument, lease, license, permit, agreement or other document (including pursuant to any "change of control" or similar provision) (there being no requirement pursuant to the New Notes or the New Notes Guarantees to obtain any consent in respect thereof from any Person that is not also a LifeMiles Guarantor) or (iii) permit any Person (other than any LifeMiles Guarantor) to amend any rights,

benefits and/or obligations of the relevant LifeMiles Guarantor or Restricted Subsidiary in respect of such relevant asset or permit such Person to require any LifeMiles Guarantor or any Subsidiary of the Issuer to take any action materially adverse to the interests of such Subsidiary or LifeMiles Guarantor; provided, however, that any such asset will only constitute an Excluded Asset under clause (i) or clause (ii) above to the extent such violation or breach, termination (or right of termination) or default would not be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law; provided, further, that any such asset shall cease to constitute an Excluded Asset at such time as the condition causing such violation, breach, termination (or right of termination) or default or right to amend or require other actions no longer exists and to the extent severable, the security interest granted under the applicable LifeMiles Security Document shall attach immediately to any portion of such General Intangible or other right that does not result in any of the consequences specified in clauses (i) through (iii) above,

(b) the Capital Stock of any (i) Restricted Subsidiary that is subject to regulation as an insurance company (or any subsidiary thereof), (ii) Unrestricted Subsidiary, (iii) broker-dealer subsidiary and/or (iv) not-for-profit subsidiary,

(c) any intent-to-use (or similar) trademark application prior to the filing and acceptance of a "Statement of Use", "Amendment to Allege Use" or similar filing with respect thereto, only to the extent, if any, that, and solely during the period, in which, if any, the grant of a security interest therein may impair the validity or enforceability, or result in the voiding of, such intent-to-use trademark application or any registration issuing therefrom under applicable law,

(d) any asset or property (including Capital Stock), the grant or perfection of a security interest in which would (A) require any governmental or regulatory consent, approval, license or authorization (there being no requirement under any Security Document to obtain the consent, approval, license or authorization of any Governmental Authority or other person (other than any LifeMiles Guarantor), including, without limitation, no requirement to comply with the Federal Assignment of Claims Act or any similar statute), (B) be prohibited or restricted by any applicable law (including enforceable anti-assignment provisions of applicable Requirements of Law), except, in the case of this clause (B), to the extent such prohibition would be rendered ineffective under applicable anti-assignment provisions of the UCC of any relevant jurisdiction or other applicable law notwithstanding such prohibition, (C) trigger termination of any contract pursuant to a "change of control" or similar provision or (D) result in adverse tax or regulatory consequences to the Issuer or any of its subsidiaries in the good faith determination of the Issuer,

(e) (i) except to the extent a security interest therein can be perfected by the filing of an "all-assets" UCC-1 financing statement, any leasehold interest and (ii) any Real Property interest or Real Property interest that is not a Real Property with a fair-market value in excess of $50 million of the date of acquisition thereof,

(f) any Capital Stock of any Person that is not a wholly-owned Subsidiary or that is not a LifeMiles Guarantor or a subsidiary of LifeMiles Ltd. that is a Guarantor under the Refinancing Notes or that is an Unrestricted Subsidiary,

(g) any margin stock,

(h) any Letter-of-Credit Right (other than to the extent a security interest in such Letter-of-Credit Right can be perfected solely by filing an "all-assets" UCC financing statement) and all Commercial Tort Claims (each, as defined in Article 9 of the UCC),

(i) any cash or Cash Equivalents (other than cash and Cash Equivalents representing identifiable proceeds of other collateral, a security interest in which can be perfected through the filing of an "all-assets" UCC financing statement),

(j) any deposit account or commodity or securities account and similar accounts, escrow, fiduciary and trust accounts (including any securities entitlement and any related asset) (except to the extent a security interest therein can be perfected solely through the filing of an "all assets" UCC financing statement; it being

understood that this exception does not apply to cash or Cash Equivalents other than cash and Cash Equivalents representing identifiable proceeds of other New Notes Collateral as referred to in the preceding clause (i)),

(k) any motor vehicle, airplane or other asset subject to a certificate of title (other than to the extent a security interest therein can be perfected solely by filing an "all assets" UCC financing statement and without the requirement to list any VIN, serial or similar number),

(l) any governmental or regulatory license or state or local franchise, charter, consent, permit or authorization to the extent the granting of a security interest therein is prohibited or restricted thereby or by applicable law; provided, however, that any such asset will only constitute an Excluded Asset under this clause (l) to the extent such prohibition or restriction would not be rendered ineffective pursuant to applicable anti-assignment provisions of the UCC of any relevant jurisdiction or other applicable law,

(m) any asset with respect to which the 2025 Collateral Trustee and the relevant LifeMiles Guarantor have determined in good faith that the cost, burden, difficulty or consequence (including any effect on the ability of the relevant LifeMiles Guarantor to conduct its operations and business in the ordinary course of business) of obtaining or perfecting a security interest therein outweighs, or would be excessive in light of, the benefit of a security interest to the relevant holders of Secured Obligations secured by the LifeMiles Collateral (the "LifeMiles Secured Parties") afforded thereby, and

(n) any asset that is excluded from the security interests to be granted pursuant to the Security Documents pursuant to the LifeMiles Guaranty and Security Principles.

Existing Excluded Assets

The Existing Collateral securing the New Notes will not include any of the following assets of the Issuer or the Guarantors (other than the LifeMiles Guarantors) (the "Existing Excluded Assets" and, together with the LifeMiles Excluded Assets, the "Excluded Assets"): (a) any particular assets, if the pledge thereof or security interest therein is (w) prohibited by applicable law (including rules and regulations of any governmental authority), (x) subject of a Permitted Lien (as defined in the New Notes Indenture) under clauses (xvii), (xviii) and (xxi) of the definition thereof under the New Notes Indenture to the extent that the documents providing for the Indebtedness (as defined in the New Notes Indenture) secured by such Liens (as defined in the New Notes Indenture) do not permit such assets and proceeds thereof (A) to be pledged in favor of the New Notes or (B) would otherwise require consent of a third party, (y) that is not capable of being perfected by filing of a UCC financing statement or, subject to the Existing Guaranty and Security Principles, an Existing Security Document or (z) prohibited or restricted by or renders ineffective or creates a right of termination under a contract, lease, license or other agreement governing such asset with a counterparty that is not a Parent Guarantor (as defined in the New Notes Indenture), the Issuer, a Restricted Subsidiary or an Affiliate thereof, except to the extent any such prohibition or restriction would be rendered ineffective or the enforcement thereof would be stayed under applicable provisions of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law (including bankruptcy law) or principles of equity, (b) any rights and benefits of a Parent Guarantor, the Issuer or any Restricted Subsidiary under any credit card processing agreements relating to Specified Sales (as such term is defined in the USAVFlow II Credit Card Securitization Facility) of the type in existence as of the Issue Date or any cash or other proceeds of any such rights and benefits, (c) any Excluded Accounts (as defined below), (d) all fee simple real property that is not Owned Material Real Property (as defined below), (e) all leasehold interest in real property except to the extent a security interest therein can be perfected by the filing of an all assets UCC-1 financing statement, (f) any capital stock of WAV Air Holdings S.L., Wamos Air, S.A. and any of their respective subsidiaries, and (g) any aircraft, airframes, spare parts or aircraft engines (including any related records, manuals or documentation related to any of the foregoing); provided, that Excluded Assets shall not include (A) any proceeds of any Excluded Assets unless such proceeds would otherwise constitute Excluded Assets and (B) any capital stock of LifeMiles or any proceeds thereof.

For purposes of the definition of Existing Excluded Assets above:

- "Excluded Accounts" shall mean (a) all accounts used exclusively for escrow, fiduciary, trust, tax withholding purposes or similar accounts funded in the ordinary course of business or required by

applicable law, (b) accounts used only for pension or payroll obligations and other employee wage and benefit payments and accrued and unpaid employee compensation payments, (c) all accounts holding cash securing obligations in respect of certain returned aircraft, (d) to the extent deemed property of a Parent Guarantor, the Issuer or any Restricted Subsidiary, accounts referenced in (i) Cash Management Agreement (and any replacements, amendments, supplements or modifications thereof), dated as of September 23, 2024, by and among Aerovías del Continente Americano S.A. Avianca and Taca International Airlines, S.A. as sellers and servicers, USAVflow II LIMITED as purchaser, and Deutsche Bank Trust Company Americas as administrative agent and collateral agent, (ii) the Account Charge (and any replacements, amendments, supplements or modifications thereof), dated as of September 23, 2024, by and among USAVflow II LIMITED as chargor, and Deutsche Bank Trust Company Americas as collateral agent and (iii) the New York Security Agreement (and any replacements, amendments, supplements or modifications thereof), dated as of March 4, 2022, by and among Taca Credit Card Flow Limited as grantor, and Banco de Bogotá as collateral agent, (e) to the extent deemed property of a Parent Guarantor, the Issuer or any Restricted Subsidiary, accounts referenced in that certain Assignment and Security Agreement (and any replacements, amendments, supplements or modifications thereof), dated as of June 16, 2015, among Taca, as Pledgor, Fiduciaria Bogotá S.A., as Collateral Trustee, and Banco de Bogotá S.A., New York Agency, as Bank, and any funds in all such accounts, (f) accounts holding solely cash collateral or other funds for a third party that constitute Permitted Liens, and (g) accounts containing cash and Cash Equivalents in the aggregate not in excess of the greater of (i) U.S. $125,000,000 and (ii) 15% of the AGIL's consolidated cash position (as shown on the AGIL's most recent balance sheet or in the notes thereto).

- "Owned Material Real Property" means any Real Property (as defined in the New Notes Indenture) owned in fee by the Issuer or any Existing Guarantor that has a fair market value (as determined in good faith by an officer of the Issuer) of $50.0 million or more.

Other limitations on the New Notes Collateral

In addition, liens required to be granted from time to time pursuant to the New Notes Indenture shall be subject to exceptions and limitations, as described below and elsewhere under this caption "—Security for the New Notes," including under "—Guaranty and Security Principles" below.

As set out in more detail below, subject to certain exceptions, upon an enforcement event, insolvency or liquidation proceeding or disposition permitted under the terms of the New Notes Indenture, proceeds from the New Notes Collateral will be applied in accordance with the priorities set forth in the Collateral Trust Agreements and, to the extent applicable, any Intercreditor Agreement.

Guaranty and Security Principles

LifeMiles Guaranty and Security Principles

The New Notes Guarantees and the grant of security interests in the LifeMiles Collateral provided by the LifeMiles Guarantors for the benefit of the Secured Obligations, and to be provided for the benefit of the LifeMiles Secured Parties, are subject to limitations under the following principles (the "LifeMiles Guaranty and Security Principles"), which include restrictions on the granting of note guarantees and security where, among other things, such grant would be restricted by general legal and statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalisation", "earnings stripping", "controlled foreign corporation" and "capital maintenance" rules, retention of title claims, employee consultation or approval requirements and similar principles may limit the ability of the Issuer or any of its restricted subsidiaries to provide a guarantee or security or may require that the guarantee or security be limited by an amount or otherwise. If any such limit applies, the guarantees and security provided will be limited to the maximum amount which the relevant LifeMiles Guarantor may provide having regard to applicable law (including any jurisprudence) and subject to fiduciary duties of management and directors (or other governing body) and (in the case of financial assistance) subject to the successful completion of all "whitewash" procedures which may be applicable. The LifeMiles Guaranty and Security Principles are described in greater detail at the end of this "Description of the New Notes" under the caption "—LifeMiles Guaranty and Security Principles."

Existing Guaranty and Security Principles

The Existing Notes Guarantees and the grant of security interests in the Existing Collateral provided by the Issuer or Existing Guarantors for the benefit of the holders of the Existing Notes, and to be provided for the benefit of the holders of the New Notes, are subject to following principles (the "Existing Guaranty and Security Principles" and, together with the LifeMiles Guaranty and Security Principles, the "Guaranty and Security Principles"): as to any asset of the Issuer and the Existing Guarantors (other than Excluded Assets), (x) such asset is of the type constituting Collateral, (y) a Lien on such asset shall be perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) under such applicable law substantially consistent with the Liens granted over assets of similar type in the relevant jurisdictions in accordance with the Existing Collateral Security Documents or on the Issue Date or required to be granted thereafter pursuant to Section 4.13 of the New Notes Indenture in the applicable jurisdiction (or in the case of any jurisdiction where no Liens were previously granted, to the extent customary and reasonably achievable under applicable local law and agreed by the Issuer) and (z) certificates and opinions of counsel consistent with the ones delivered for such type of assets in the applicable jurisdiction in connection with the applicable Existing Collateral Security Documents or in the case of any jurisdiction where no Liens were previously granted, such certificates and opinions of counsel are customary in such jurisdictions.

After-acquired New Notes Collateral

After the Issue Date, if property or assets of the type that constitutes New Notes Collateral (other than the Existing Collateral Assets or the LifeMiles Excluded Assets) is acquired by any Issuer or New Notes Guarantor (including property of a Person that becomes a new Issuer or New Notes Guarantor) that is not automatically subject to a perfected security interest under the Security Documents, then, subject to the applicable Guaranty and Security Principles and Collateral and Guarantee Requirement, such Issuer or New Notes Guarantor will provide a Lien, as applicable, over such property (or, in the case of a new Issuer or New Notes Guarantor, such of its property) in favor of the applicable Collateral Trustee and deliver certain filings, pledges, instruments, documents or certificates in respect thereof, all as and to the extent required by the New Notes Indenture or the Security Documents, in each case subject to the Permitted Liens.

Liens with respect to the New Notes Collateral

As of the Issue Date or the applicable dates set forth in the New Notes Indenture and the Collateral Documents, the Issuer (or the Issuer and the New Notes Guarantors, as applicable) and each Collateral Trustee (as applicable) will have (i) entered into the Collateral Trust Agreements (or the Issuer has otherwise provided the relevant joinders, supplements, and amendment to the Existing Collateral Trust Agreement) and (ii) entered into the Security Documents (or the Issuer has otherwise provided the relevant joinders, supplements, and amendment to the Existing Collateral Security Documents) establishing the terms of the security interests, and the relative priorities and rights, with respect to the New Notes Collateral. These security interests secure the payment and performance when due of all existing and future Secured Obligations. In addition to executing (or executing the relevant joinders, supplements and amendments to) the Security Documents required to be delivered on the Issue Date, the Issuer and the New Notes Guarantors granting security interest over New Notes Collateral will be required to undertake certain post-closing actions in connection with the Security Documents, including amending and updating filings, records and registrations in each local jurisdiction.

By their acceptance of the New Notes, each holder will be deemed to accept the terms of, agree to be bound by and authorize and direct each of the New Notes Trustee and each Collateral Trustee, as applicable, to enter into and perform its respective obligations under the Collateral Trust Agreements and the Security Documents (including any joinders, supplements and amendments thereto), including, without limitation, agreeing to the intercreditor arrangements set forth therein and binding the holders to the terms thereof.

Secured Obligations

The New Notes and all Indebtedness under the Refinancing Notes will be "Secured Obligations" for purposes of the 2025 Collateral Trust Agreement referred to below (such obligations, the "LifeMiles Secured Obligations"). The New Notes Indenture and the Security Documents with respect to the LifeMiles Collateral will provide that the Issuer and the LifeMiles Guarantors may incur additional LifeMiles Secured Obligations in the future, subject to

compliance with the provisions of the New Notes Indenture and LifeMiles Security Documents, including the limitations on liens covenant. All additional LifeMiles Secured Obligations will be secured, equally and ratably with the New Notes, by Liens held by the 2025 Collateral Trustee for the benefit of all current and future holders of LifeMiles Secured Obligations.

Upon the execution of the relevant joinders to the Existing Collateral Trust Agreement, the New Notes and all Indebtedness under the Refinancing Notes will, together with the Existing Notes, be "Secured Obligations" for purposes of the Existing Collateral Trust Agreement referred to below (such obligations, the "Existing Collateral Secured Obligations" and, together with the LifeMiles Secured Obligations, the "Secured Obligations"). The New Notes Indenture and the Existing Collateral Security Documents will provide that the Issuer and the Existing Guarantors may incur additional Existing Collateral Secured Obligations in the future, subject to compliance with the provisions of the New Notes Indenture and Existing Collateral Security Documents, including the lien covenant included in the New Notes Indenture. All additional Existing Collateral Secured Obligations will be secured, equally and ratably with the New Notes, by Liens held by the Existing Notes Collateral Trustee for the benefit of all current and future holders of Existing Collateral Secured Obligations.

Junior Lien Indebtedness

The New Notes Indenture and the Security Documents will provide that the Issuer and the Guarantors may incur Junior Lien Indebtedness in the future, including by issuing notes under one or more new indentures, incurring additional Indebtedness under Credit Facilities, or otherwise issuing or increasing a new Series of Junior Lien Indebtedness, subject to compliance with the provisions of the New Notes Indenture and Security Documents, including the lien covenant included in the New Notes Indenture.. The Liens on Collateral securing any current and future Junior Lien Obligations shall be or will be made, as the case may be, junior to the Liens on Collateral held by the Collateral Trustees securing the Secured Obligations and will be otherwise governed by a Junior Lien Intercreditor Agreement. In addition, pursuant to the debt covenant included in the New Notes Indenture and the definition of "Junior Lien Indebtedness", any Junior Lien Indebtedness incurred by the Issuer and the Guarantors is required to be subordinated in right of payment to the New Notes.

Collateral Trust Agreements

On the Issue Date, the New Notes Trustee and we will, enter into (i) a joinder to the Collateral Trust Agreement (the "Existing Collateral Trust Agreement"), dated as of December 1, 2021, among the Issuer and the other grantors party thereto (collectively, the "Existing Collateral Grantors"), the Existing Notes Trustee, the trustee for the Tranche A-2 Senior Secured Notes and GLAS Americas LLC, as collateral trustee (the "Existing Notes Collateral Trustee"), pursuant to which the New Notes will become beneficiaries of the Security Documents with respect to the Existing Collateral (the "Existing Collateral Security Documents") and will be secured by the Existing Collateral and (ii) a collateral trust agreement (the "2025 Collateral Trust Agreement" and, together with the Existing Collateral Trust Agreement, the "Collateral Trust Agreements"), among the Issuer and the other grantors party thereto (collectively, the "LifeMiles Collateral Grantors"), the trustee for the Refinancing Notes, the New Notes Trustee and GLAS Americas LLC, as collateral trustee (the "2025 Collateral Trustee" and together with the Existing Notes Collateral Trustee and the New Notes Collateral Trustee, the "Collateral Trustees" and each, a "Collateral Trustee") pursuant to which the New Notes will become beneficiaries of the Security Documents with respect to the LifeMiles Collateral (the "LifeMiles Security Documents") and will be secured by the LifeMiles Collateral, subject in each case, to post closing actions described in "—Secured Obligations" above.

On the date that any security interest with respect to any Additional Collateral is granted, we will enter into an additional collateral trust agreement on substantially the same terms as the Collateral Trust Agreements or modify or supplement on or more Collateral Trust Agreements pursuant to which the New Notes will become beneficiaries of the Security Documents with respect to the Additional Collateral (the "Additional Collateral Security Documents" and, together with the Existing Collateral Security Documents and the LifeMiles Security Documents, the "Security Documents") and will be secured by the Additional Collateral.

The Collateral Trust Agreements will set forth the terms on which the applicable Collateral Trustee will receive, hold, administer, maintain, enforce and distribute the proceeds of all Liens upon the applicable New Notes

Collateral at any time held by it, in trust for the benefit of the current and future holders of Secured Obligations, the New Notes Trustee, and the Collateral Trustees secured by such New Notes Collateral.

Collateral Trustees

GLAS Americas LLC has been appointed pursuant to each Collateral Trust Agreement to serve as the collateral trustee for the benefit of the holders of:

In the case of the Existing Collateral Trust Agreement:

- the New Notes;
- all indebtedness under the Refinancing Notes and the Existing Notes; and
- all other Existing Collateral Secured Obligations outstanding from time to time.

In the case of the 2025 Collateral Trust Agreement:

- the New Notes;
- all indebtedness under the Refinancing Notes; and
- all other LifeMiles Secured Obligations outstanding from time to time.

Each Collateral Trustee holds (directly or through co-trustees or agents), and is entitled to enforce, all Liens on the New Notes Collateral created by the Security Documents. Neither the Issuer nor their Affiliates may serve as a Collateral Trustee. Each Collateral Trustee holds (directly or through co-trustees or agents), and is entitled to enforce, all Liens on the New Notes Collateral created by the Security Documents. Neither the Issuer nor their Affiliates may serve as a Collateral Trustee.

Except as provided in the Collateral Trust Agreements or as directed by the applicable Required Secured Parties in accordance with the applicable Collateral Trust Agreement, neither Collateral Trustee will be obligated:

(1) to act upon directions purported to be delivered to it by any Person;

(2) to foreclose upon or otherwise enforce any Lien; or

(3) to take any other action whatsoever with regard to any or all of the applicable Security Documents, the Liens created thereby or the applicable New Notes Collateral.

Equal and ratable sharing of New Notes Collateral by holders of Secured Obligations

Each of the New Notes Trustee, the trustee with respect to the Refinancing Notes and the trustee with respect to the Existing Notes (on behalf of the holders of the respective Secured Obligations) agrees under the Existing Collateral Trust Agreement that the Issuer and the Guarantors party to the Existing Collateral Trust Agreement have granted to the Existing Notes Collateral Trustee, for the benefit of the relevant holders of Secured Obligations secured by the Existing Notes Collateral (the "Existing Collateral Secured Parties"), a security interest in all such grantor's rights, title and interest in, to and under the Existing Collateral to secure the payment and performance of all present and future Secured Obligations intended to be secured by the Existing Collateral and that such security interest granted to the Existing Notes Collateral Trustee, for the benefit of the such Existing Collateral Secured Parties, shall secure the New Notes, the Refinancing Notes, the Existing Notes and any other obligations intended to be secured by the Existing Collateral on an equal and ratable basis.

Each of the New Notes Trustee and the trustee with respect to the Refinancing Notes (on behalf of the holders of the respective Secured Obligations) agrees under the 2025 Collateral Trust Agreement that the Issuer and the

Guarantors party to the 2025 Collateral Trust Agreement has granted to the 2025 Collateral Trustee, for the benefit of the Secured Parties secured by the LifeMiles Collateral, a security interest in all such grantor's rights, title and interest in, to and under the LifeMiles Collateral to secure the payment and performance of all present and future Secured Obligations intended to be secured by the LifeMiles Collateral and that such security interest granted to the 2025 Collateral Trustee, for the benefit of the such Secured Parties, shall secure the New Notes, the Refinancing Notes, and any other obligations intended to be secured by the LifeMiles Collateral on an equal and ratable basis.

The trustee or authorized representative of each future Series of Secured Obligations will be required to deliver to the applicable Collateral Trustee a joinder to the applicable Collateral Trust Agreement.

Order of application

The 2025 Collateral Trust Agreement will provide that if any LifeMiles Collateral or proceeds thereof or other amounts received or paid in connection with the sale or other disposition of, or collection on or distribution on account of, such LifeMiles Collateral upon the exercise of remedies or any transfer or disposition in lieu thereof as a LifeMiles Secured Party or during an insolvency or liquidation proceeding shall be distributed by the 2025 Collateral Trustee in the following order of application:

first, on a pro rata basis to (i) the 2025 Collateral Trustee in an amount equal to the sum of (x) the 2025 Collateral Trustee's fees that are unpaid as of such date and to any LifeMiles Secured Party that has theretofore advanced or paid any such 2025 Collateral Trustee's fees in an amount equal to the amount thereof so advanced or paid by such LifeMiles Secured Party prior to such date and (y) any reasonable and documented out-of-pocket costs and expenses (including, without limitation, the fees and expenses of its counsel) due to the 2025 Collateral Trustee in connection with the foreclosure or realization of such LifeMiles Collateral and (ii) to the New Notes Trustee, the trustee for the Refinancing Notes and each other applicable authorized representative of the holders of each series of LifeMiles Secured Obligations (each, an "LifeMiles Authorized Representative"), for application to the payment in full of all outstanding LifeMiles Secured Obligations that are then due and payable to such LifeMiles Authorized Representative in its capacity as such pursuant to any applicable debt documents related to such series of LifeMiles Secured Obligations ("LifeMiles Secured Debt Documents"), including all post-petition interest;

second, to each LifeMiles Authorized Representative, equally and ratably (in the same proportion that such unpaid LifeMiles Secured Obligations of the series represented by such LifeMiles Authorized Representative, bear to all unpaid LifeMiles Secured Obligations on such date) for application to the payment in full of all outstanding LifeMiles Secured Obligations (other than LifeMiles Secured Obligations paid pursuant to clause first above and contingent LifeMiles Secured Obligations) that are then due and payable to the LifeMiles Secured Parties under the 2025 Collateral Trust Agreement (which shall then be applied or held by each such LifeMiles Authorized Representative in such order as may be provided in the applicable LifeMiles Secured Debt Documents), including all interest (including post-default interest at any applicable default rate, whether or not enforceable) and fees accrued thereon after the commencement of any Bankruptcy Proceeding, including all post-petition interest; and

third, any surplus then remaining shall be paid as provided in the LifeMiles Security Documents or as a court of competent jurisdiction may direct, including to holders of any junior obligations, the applicable Guarantor, its successors or assigns, or to such other Persons as may be lawfully entitled to such amounts.

If any LifeMiles Secured Party collects or receives any LifeMiles Collateral or Proceeds in connection with the exercise of any right or remedy with respect to, or relating to, the LifeMiles Secured Obligations (including set off, recoupment or credit bid) or in an Insolvency or Liquidation Proceeding (other than in connection with the provisions described under this caption "—Order of application"), such LifeMiles Secured Party will forthwith deliver the same to the 2025 Collateral Trustee, for the account of the holders of LifeMiles Secured Obligations, to be applied in accordance with the provisions described under this caption "—Order of application" with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Until so delivered, such Proceeds will be segregated and held in trust, for the benefit of the LifeMiles Secured Parties under the 2025 Collateral Trust Agreement, by such LifeMiles Secured Party, as the case may be.

The Existing Collateral Trust Agreement provides that if any Existing Collateral or proceeds thereof or other amounts received or paid in connection with the sale or other disposition of, or collection on or distribution on account

of, such Existing Collateral upon the exercise of remedies or any transfer or disposition in lieu thereof as a secured party or during an insolvency or liquidation proceeding shall be distributed by the Existing Notes Collateral Trustee in the following order of application:

first, on a pro rata basis to (i) the Existing Notes Collateral Trustee in an amount equal to the sum of (x) the Existing Notes Collateral Trustee's fees that are unpaid as of such date and to any Existing Collateral Secured Party that has theretofore advanced or paid any such Existing Notes Collateral Trustee's fees in an amount equal to the amount thereof so advanced or paid by such Existing Collateral Secured Party prior to such date and (y) any reasonable and documented out-of-pocket costs and expenses (including, without limitation, the fees and expenses of its counsel) due to the Existing Notes Collateral Trustee in connection with the foreclosure or realization of such Existing Collateral and (ii) to each of the trustee for the Existing Notes, the New Notes Trustee, the trustee for the Refinancing Notes and each other applicable authorized representative of the holders of each series of Existing Collateral Secured Obligations (each, an "Existing Collateral Authorized Representative" and, together with each LifeMiles Authorized Representative, the "Authorized Representatives"), for application to the payment in full of all outstanding Existing Collateral Secured Obligations that are then due and payable to such Existing Collateral Authorized Representative in its capacity as such pursuant to any applicable debt documents related to such Series of Existing Collateral Secured Obligations ("Existing Collateral Secured Debt Documents" and, together with the LifeMiles Collateral Secured Debt Documents, the "Secured Debt Documents"), including all post-petition interest;

second, to each Existing Collateral Authorized Representative, equally and ratably (in the same proportion that such unpaid Existing Collateral Secured Obligations of the Series represented by such Existing Collateral Authorized Representative, bear to all unpaid Existing Collateral Secured Obligations on such date) for application to the payment in full of all outstanding Existing Collateral Secured Obligations (other than Existing Collateral Secured Obligations paid pursuant to clause first above and contingent Existing Collateral Secured Obligations) that are then due and payable to the Existing Collateral Secured Parties under the Existing Collateral Trust Agreement (which shall then be applied or held by each such Existing Collateral Authorized Representative in such order as may be provided in the applicable Existing Collateral Secured Debt Documents), including all interest (including post-default interest at any applicable default rate, whether or not enforceable) and fees accrued thereon after the commencement of any bankruptcy proceeding, including all post-petition interest; and

third, any surplus then remaining shall be paid as provided in the Existing Collateral Security Documents or as a court of competent jurisdiction may direct, including to holders of any junior obligations, the applicable Guarantor, its successors or assigns, or to such other Persons as may be lawfully entitled to such amounts.

If any Existing Collateral Secured Party collects or receives any Existing Collateral or Proceeds in connection with the exercise of any right or remedy with respect to, or relating to, the Existing Collateral Secured Obligations (including set off, recoupment or credit bid) or in an Insolvency or Liquidation Proceeding (other than in connection with the provisions described under this caption "—Order of application"), such Existing Collateral Secured Party will forthwith deliver the same to the Existing Notes Collateral Trustee, for the account of the holders of Existing Collateral Secured Obligations, to be applied in accordance with the provisions described under this caption "—Order of application" with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Until so delivered, such Proceeds will be segregated and held in trust, for the benefit of the Existing Collateral Secured Parties under the Existing Collateral Trust Agreement, by such Existing Collateral Secured Party, as the case may be.

The provisions described under this caption "—Order of application" are intended for the benefit of, and will be enforceable as a third-party beneficiary by, each present and future holder of Secured Obligations, each present and future Authorized Representative and each Collateral Trustee as holders of Liens on the Collateral.

The Authorized Representative of each future Series of Secured Obligations will be required to deliver to the applicable Collateral Trustee and each other applicable Authorized Representative a joinder to the applicable Collateral Trust Agreement at the time of incurrence of such Series of Secured Obligations.

The fair market value of the New Notes Collateral is subject to fluctuations based on factors that include, among others, the ability to sell the New Notes Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the New Notes Collateral would also be dependent on numerous factors, including, but not limited to, the actual fair market value of the New Notes

Collateral at such time and the timing and the manner of the sale. By their nature, portions of the New Notes Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, it may not be possible to sell the New Notes Collateral in a short period of time or in an orderly manner. In addition, the holders of the New Notes will not be entitled to receive post-petition interest or applicable fees, costs, expenses, or charges to the extent the amount of the obligations due under the New Notes exceeds the value of the New Notes Collateral (after taking into account all other first-priority debt that is also secured by the New Notes Collateral), or any "adequate protection" on account of any unsecured portion of the New Notes.

Release of Liens on New Notes Collateral

The 2025 Collateral Trust Agreement will provide that:

(a) the 2025 Collateral Trustee's Liens on the applicable LifeMiles Collateral will be automatically released or subordinated under the following circumstances:

(i) subject to clause (b) below, the Liens granted by the LifeMiles Collateral Grantors to the 2025 Collateral Trustee under the LifeMiles Secured Debt Documents shall automatically terminate when, with respect to all series of LifeMiles Secured Obligations, the applicable conditions for the release in full of the Liens securing the LifeMiles Secured Obligations of each of such series set forth in the applicable LifeMiles Secured Debt Documents (the "LifeMiles Collateral Release Conditions") are satisfied in full and such release of the Liens is authorized or permitted under, and does not violate the terms of, any LifeMiles Secured Debt Document;

(ii) if the LifeMiles Collateral Release Conditions have been satisfied with respect to any series of LifeMiles Secured Obligations in accordance with the terms of the applicable LifeMiles Secured Debt Documents for such series of LifeMiles Secured Obligations and such release of the Liens with respect to such series of LifeMiles Secured Obligations is authorized or permitted under, and does not violate the terms of, any LifeMiles Secured Debt Document, the LifeMiles Secured Obligations of such series shall, without further action, no longer be secured by the Liens; provided that the Issuer shall have delivered an officer's certificate and opinion of counsel to the 2025 Collateral Trustee certifying that the conditions described in this clause (ii) have been met;

(iii) the Liens shall be released solely in respect of any portion of the LifeMiles Collateral if all applicable conditions to the release of such Liens on such portion of the LifeMiles Collateral have been met under all LifeMiles Secured Debt Documents, and such release of the Liens in respect of such portion of the LifeMiles Collateral is authorized or permitted under, and does not violate the terms of, any LifeMiles Secured Debt Document; provided that the Issuer shall have delivered an officer's certificate or opinion of counsel to the 2025 Collateral Trustee certifying that the conditions described in this clause (iii) have been met;

(iv) if all applicable conditions to the release of the Liens on any portion of the LifeMiles Collateral have been satisfied with respect to any series of LifeMiles Secured Obligations in accordance with the terms of the applicable LifeMiles Secured Debt Documents for such series of LifeMiles Secured Obligations, and such release of the Liens in respect of such portion of the LifeMiles is authorized or permitted under, and does not violate the terms of, any LifeMiles Secured Debt Document, the LifeMiles Secured Obligations of such series shall no longer be secured by the Liens on such portion of the LifeMiles Collateral; provided that the Issuer shall have delivered an officer's certificate and an opinion of counsel to the 2025 Collateral Trustee certifying that the conditions described in this clause (iv) have been met; and

(v) if the 2025 Collateral Trustee is authorized or directed to execute and deliver any instruments or documents in connection with any release contemplated herein or in the LifeMiles Secured Debt Documents, the Issuer shall have delivered to the 2025 Collateral Trustee an officer's certificate or an opinion of counsel addressed to the 2025 Collateral Trustee certifying that all conditions precedent to such release in the applicable LifeMiles Secured Debt Documents have been satisfied and that such release is authorized or permitted by the terms of the LifeMiles Secured Debt Documents.

(b) The Liens on the LifeMiles Collateral shall not be released pursuant to clause (a)(i) above unless and until all fees and other amounts owing to the 2025 Collateral Trustee under the 2025 Collateral Trust Agreement and the other LifeMiles Security Documents (other than any contingent LifeMiles Secured Obligations) shall have been paid in full.

The New Notes Indenture will provide that the Liens securing the LifeMiles Secured Obligations will be automatically released, and the New Notes Trustee (subject to its receipt of an officer's certificate and opinion of counsel as provided below) shall execute documents evidencing such release, or instruct the 2025 Collateral Trustee to execute, as applicable, the same at the Issuer's sole cost and expense, under one or more of the following circumstances:

(a) in whole upon:

(i) payment in full of the principal of, together with accrued and unpaid interest on, the New Notes and all other obligations under the New Notes Indenture;

(ii) satisfaction and discharge of the New Notes Indenture as set forth in the New Notes Indenture; or

(iii) a legal defeasance or covenant defeasance as set forth in the New Notes Indenture;

(b) in part, as to any asset constituting LifeMiles Collateral:

(i) that is sold, transferred or otherwise disposed of by the Issuer or any New Notes Guarantor to any Person that is not an Affiliate of the Issuer or a New Notes Guarantor in a transaction permitted by the New Notes Indenture and the applicable LifeMiles Secured Debt Documents;

(ii) that is held by a New Notes Guarantor that is released from its note guarantee pursuant to the New Notes Indenture;

(iii) that is or becomes an Existing Excluded Asset; or

(iv) that is otherwise released in accordance with the New Notes Indenture or the applicable LifeMiles Secured Debt Documents;

provided (x) at any time when a Default or Event of Default has occurred and is continuing and the maturity of the New Notes has been accelerated (whether by declaration or otherwise) and the New Notes Trustee has delivered notice of acceleration to the 2025 Collateral Trustee, no release of LifeMiles Collateral pursuant to the provisions of the New Notes Indenture or the LifeMiles Security Documents shall be effective as against the holders of the applicable LifeMiles Secured Obligations, except as otherwise provided in the 2025 Collateral Trust Agreement and (y) Liens shall not be released in whole while other LifeMiles Secured Obligations are still outstanding.

The Existing Collateral Trust Agreement provides that:

(a) the Existing Notes Collateral Trustee's Liens on the applicable Existing Collateral will be automatically released or subordinated under the following circumstances:

(i) subject to clause (b) below, the Liens granted by the Existing Collateral Grantors to the Existing Notes Collateral Trustee under the Existing Collateral Secured Debt Documents shall automatically terminate when, with respect to all series of Secured Obligations, the applicable conditions for the release of the Liens securing the Secured Obligations of each of such series set forth in the applicable Existing Collateral Secured Debt Documents (the "Existing Collateral Release Conditions") are satisfied in full and such release of the Liens is authorized or permitted under, and does not violate the terms of, any Existing Collateral Secured Debt Document;

(ii) if the Existing Collateral Release Conditions have been satisfied with respect to any series of Existing Collateral Secured Obligations in accordance with the terms of the applicable Existing Collateral Secured Debt Documents for such series of Existing Collateral Secured Obligations and such release of the Liens with respect to such series of Existing Collateral Secured Obligations is authorized or permitted under, and does not violate the terms of, any Existing Collateral Secured Debt Document, the Existing Collateral Secured Obligations of such series shall, without further action, no longer be secured by the Liens; provided that the Issuer shall have delivered an officer's certificate and opinion of counsel to the Existing Notes Collateral Trustee certifying that the conditions described in this clause (ii) have been met;

(iii) the Liens shall be released solely in respect of any portion of the Existing Collateral if all applicable conditions to the release of such Liens on such portion of the Existing Collateral have been met under all Existing Collateral Secured Debt Documents, and such release of the Liens in respect of such portion of the Existing Collateral is authorized or permitted under, and does not violate the terms of, any Existing Collateral Secured Debt Document; provided that the Issuer shall have delivered an officer's certificate or opinion of counsel to the Existing Notes Collateral Trustee certifying that the conditions described in this clause (iii) have been met;

(iv) if all applicable conditions to the release of the Liens on any portion of the Existing Collateral have been satisfied with respect to any series of Existing Collateral Secured Obligations in accordance with the terms of the applicable Existing Collateral Secured Debt Documents for such series of Existing Collateral Secured Obligations, and such release of the Liens in respect of such portion of the Existing Collateral is authorized or permitted under, and does not violate the terms of, any Existing Collateral Secured Debt Document, the Existing Collateral Secured Obligations of such series shall no longer be secured by the Liens on such portion of the Existing Collateral; provided that the Issuer shall have delivered an officer's certificate and an opinion of counsel to the Existing Notes Collateral Trustee certifying that the conditions described in this clause (iv) have been met; and

(v) if the Existing Notes Collateral Trustee is authorized or directed to execute and deliver any instruments or documents in connection with any release contemplated herein or in the Existing Collateral Secured Debt Documents, the Issuer shall have delivered to the Existing Notes Collateral Trustee an officer's certificate or an opinion of counsel addressed to the Existing Notes Collateral Trustee certifying that all conditions precedent to such release in the applicable Existing Collateral Secured Debt Documents have been satisfied and that such release is authorized or permitted by the terms of the Existing Collateral Secured Debt Documents.

(b) The Liens on the Existing Collateral shall not be released pursuant to clause (a)(i) above unless and until all fees and other amounts owing to the Existing Notes Collateral Trustee under the Existing Collateral Trust Agreement and the other Existing Collateral Security Documents (other than any contingent Existing Collateral Secured Obligations) shall have been paid in full.

The New Notes Indenture will provide that the Liens securing the Existing Collateral Secured Obligations will be automatically released, and the New Notes Trustee (subject to its receipt of an officer's certificate and opinion of counsel as provided below) shall execute documents evidencing such release, or instruct the Existing Notes Collateral Trustee to execute, as applicable, the same at the Issuer's sole cost and expense, under one or more of the following circumstances:

(a) in whole upon:

(i) payment in full of the principal of, together with accrued and unpaid interest on, the New Notes and all other obligations under the New Notes Indenture;

(ii) satisfaction and discharge of the New Notes Indenture as set forth in the New Notes Indenture; or

(iii) a legal defeasance or covenant defeasance as set forth in the New Notes Indenture;

(b) in part, as to any asset constituting Existing Collateral:

(i) that is sold, transferred or otherwise disposed of by the Issuer or any New Notes Guarantor to any Person that is not an Affiliate of the Issuer or a New Notes Guarantor in a transaction permitted by the New Notes Indenture and the applicable Existing Collateral Secured Debt Documents;

(ii) that is held by a New Notes Guarantor that is released from its note guarantee pursuant to the New Notes Indenture;

(iii) that is or becomes a LifeMiles Excluded Asset; or

(iv) that is otherwise released in accordance with the New Notes Indenture or the applicable Existing Collateral Secured Debt Documents;

provided (x) at any time when a Default or Event of Default has occurred and is continuing and the maturity of the New Notes has been accelerated (whether by declaration or otherwise) and the New Notes Trustee has delivered notice of acceleration to the Existing Notes Collateral Trustee, no release of Existing Collateral pursuant to the provisions of the New Notes Indenture or the Existing Collateral Security Documents shall be effective as against the holders of the applicable Existing Collateral Secured Obligations, except as otherwise provided in the Existing Collateral Trust Agreement and (y) Liens shall not be released in whole while other Existing Collateral Secured Obligations are still outstanding.

The Security Documents provide that the Liens securing the Secured Obligations will extend to the proceeds of any sale of New Notes Collateral. As a result, the applicable Collateral Trustee's Liens will, subject to the Uniform Commercial Code (and other applicable law limiting continued applicability of a security interest to proceeds, including, without limitation, as a result of commingling or further use thereof), apply to the proceeds of any such New Notes Collateral received in connection with any sale or other disposition of assets described in the preceding paragraph.

When releasing collateral, we will not be required to comply with Section 314(d) of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

In the event the Issuer reasonably requests that the applicable Collateral Trustee take any actions or execute any documents in order to evidence the automatic release of the Liens on any New Notes Collateral, the applicable Collateral Trustee will take such actions or execute such documents upon, among other things, the receipt of an officer's certificate stating that the release of the Liens is authorized and permitted under the applicable Collateral Trust Agreement and the applicable Secured Debt Documents.

Reinstatement

If any holder of Secured Obligations is required in any insolvency or liquidation proceeding or otherwise to turn over or otherwise pay to the estate of any Issuer or any New Notes Guarantor any amount (a "Recovery") that such holder received in respect of its Secured Obligations for any reason whatsoever, then the applicable Secured Obligations shall be reinstated to the extent of such Recovery and any prior payment with respect to such reinstated Secured Obligations shall be treated as if such payment had not been made, in each case, in accordance with the priorities set forth in the applicable Collateral Trust Agreement. If the applicable Collateral Trust Agreement shall have been terminated prior to any such Recovery, the applicable Collateral Trust Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto from such date of reinstatement.

Amendment of Security Documents; Additional Security Documents

(a) The 2025 Collateral Trust Agreement will provide that no amendment or supplement to the provisions of the 2025 Collateral Trust Agreement will be effective without the approval of the Issuer or the LifeMiles Guarantors party thereto and of the 2025 Collateral Trustee acting as directed by the LifeMiles Secured Parties representing 50% of (1) the aggregate outstanding principal amount of LifeMiles Secured Obligations in

respect of such series of LifeMiles Secured Obligations (including the face amount of outstanding letters of credit whether or not then available or drawn), plus (2) the aggregate unfunded commitments to extend credit which, when funded, would constitute Indebtedness of such series of LifeMiles Secured Obligations, in each case excluding the LifeMiles Secured Obligations held by defaulting holders of LifeMiles Secured Obligations (the "Required LifeMiles Secured Parties"), except that:

(1) without the consent of any holder of LifeMiles Secured Obligations or any Authorized Representative, the LifeMiles Collateral Grantors may amend or supplement the LifeMiles Security Documents:

(a) to add to the covenants of the LifeMiles Collateral Grantors, for the benefit of the LifeMiles Secured Parties or to surrender any right or power herein conferred upon the Guarantors;

(b) to pledge or grant a security interest in any property or assets that are required to be pledged, or in which a security interest is required to be granted, to the 2025 Collateral Trustee pursuant to any LifeMiles Security Document or any other applicable LifeMiles Secured Debt Document (including for the avoidance of doubt, in connection with entering into definitive documentation for additional LifeMiles Secured Obligations);

(c) to cure any ambiguity, omission, mistake, defect or inconsistency, to correct or to supplement any provision herein or in any LifeMiles Secured Debt Documents that may be defective or inconsistent with any other provision in the applicable Collateral Trust Agreement or therein, or to make any other provisions with respect to matters or questions arising hereunder or under any LifeMiles Secured Debt Documents that shall not be inconsistent with any provision hereof or of any LifeMiles Secured Debt Document; *provided* that such amendments shall not adversely affect the interests of the LifeMiles Secured Parties in any material respect;

(d) to add additional grantors of LifeMiles Collateral;

(e) to add additional Authorized Representatives;

(f) to provide for the assumption of any LifeMiles Collateral Grantors obligations in the case of a merger or consolidation or sale of all or substantially all of the assets of such LifeMiles Collateral Grantor to the extent not prohibited by the terms of the LifeMiles Secured Debt Documents;

(g) to the extent otherwise contemplated or permitted by the relevant LifeMiles Secured Debt Documents; and

(h) to secure obligations under any Junior Lien Document that are permitted by the terms of the LifeMiles Secured Debt Documents to be secured by the Collateral; provided that (x) an intercreditor agreement in respect of such Junior Lien Document shall be entered into prior to or concurrently with any such amendment, (y) any such junior lien provided in the applicable security document shall be subject to such intercreditor agreement and (z) the 2025 Collateral Trustee shall have received an officer's certificate as to the foregoing and, if requested by the 2025 Collateral Trustee, a customary opinion of counsel to the Issuer as to matters relating to the foregoing;

(i) to release or replace Liens in favor of the 2025 Collateral Trustee as provided under the caption "—Release of Liens on Collateral" or otherwise in accordance with the terms of the LifeMiles Security Documents, including, without limitation, release of Liens on additional LifeMiles Collateral at the Issuer's and Guarantors' option, in accordance with the LifeMiles Secured Debt Documents;

(2) no amendment or supplement to any LifeMiles Security Document that reduces,

impairs or adversely affects the right of any holder of LifeMiles Secured Obligations:

(a) to vote its outstanding LifeMiles Secured Obligations as to any matter described as subject to the Required LifeMiles Secured Parties or change the requisite percentage or number of holders required to approve an amendment or supplement of any LifeMiles Security Document,

(b) to share in the order of application described above under "—Collateral Trust Agreements—Order of application" in the Proceeds of enforcement of or realization on any Collateral that has not been released in accordance with the provisions described above under the caption "—Release of Liens on New Notes Collateral"; or

(c) to require that all or substantially all of the Liens securing the LifeMiles Secured Obligations be released only as set forth in the provisions described above under the caption "—Release of Liens on New Notes Collateral";

will become effective without the execution and delivery by each Issuer and New Notes Guarantor party thereto and the 2025 Collateral Trustee acting at the direction of the applicable Authorized Representative (acting with the consent of the requisite percentage or number of the holders of the applicable Series of LifeMiles Secured Obligations so affected under such LifeMiles Secured Debt Document); and

(3) no amendment or supplement that imposes any obligation upon the 2025 Collateral Trustee, any applicable Authorized Representative or any LifeMiles Collateral Grantor or that adversely affects the rights of the 2025 Collateral Trustee, any applicable Authorized Representative or any LifeMiles Collateral Grantor, respectively, in its capacity as such will become effective without the consent of the Issuer, such LifeMiles Guarantor and the 2025 Collateral Trustee, or such applicable Authorized Representative, respectively.

Any amendment or supplement to the provisions of the LifeMiles Security Documents that releases LifeMiles Collateral will be effective only in accordance with the requirements set forth in the LifeMiles Secured Debt Document referenced above under the caption "—Release of Liens on Collateral."

Additionally, the 2025 Collateral Trust Agreement will provide that the 2025 Collateral Trustee will enter into any additional LifeMiles Security Documents (including, without limitation, amendments, supplements or other modifications to any existing LifeMiles Security Documents) for purposes of pledging any Additional Collateral, in each case, subject to compliance with any corresponding requirements contained in any then-existing LifeMiles Secured Debt Documents , and subject to obtaining any relevant consents thereunder (all as certified by the Issuer to the 2025 Collateral Trustee in an officer's certificate). If no such consent is required under any LifeMiles Secured Debt Document, then such LifeMiles Security Documents (and the assets being pledged thereunder) will be in form and substance, and containing such terms and conditions, as may be reasonably acceptable to the 2025 Collateral Trustee (acting at the direction of the Required LifeMiles Secured Parties).

The Existing Collateral Trust Agreement provides that the Existing Collateral Trust Agreement may be waived, amended or otherwise modified except pursuant to an agreement or agreements in writing entered into by the Issuer and the Existing Notes Collateral Trustee, acting upon a direction in writing delivered to the Existing Notes Collateral Trustee (an "Act of Required Existing Collateral Secured Parties") by or with the written consent of the holders of (or the applicable Authorized Representatives representing the holders of) the Existing Collateral Secured Obligations representing 50% of the sum of: (1) the aggregate principal amount of Secured Obligations constituting Funded Debt (as defined below), plus (2) other than in connection with an exercise of remedies, the aggregate unfunded commitments to extend credit which, when funded, would constitute Existing Collateral Secured Obligations constituting Funded Debt (the "Required Existing Collateral Secured Parties"); provided that no such agreement shall by its terms amend, modify or otherwise affect the rights or obligations of the Existing Collateral Grantors, without the Issuer's prior written consent; provided, further that no such agreement shall by its terms amend, modify or otherwise affect the rights or obligations of the Existing Notes Collateral Trustee in its individual capacity as such without the Existing Notes Collateral Trustee's prior written consent; provided, further that no such agreement shall by its terms amend, modify or otherwise affect the rights or obligations of any Existing Collateral Authorized

Representative in its individual capacity as such without such Authorized Representative's prior written consent; provided, further that in connection with any refinancing of the Existing Collateral Secured Obligations of any Series, or the incurrence of additional Secured Obligations in compliance with the Existing Collateral Trust Agreement, the Existing Notes Collateral Trustee and the relevant Authorized Representative shall enter (with the written consent of the Required Existing Collateral Secured Parties, and without the consent of any other Secured Party), at the request of the Existing Notes Collateral Trustee, such Authorized Representative or the Issuer, into such amendments, supplements, modifications or restatements of the Existing Collateral Trust Agreement as are reasonably necessary or appropriate to reflect and facilitate such refinancing or such incurrence and are reasonably satisfactory to the Existing Notes Collateral Trustee and such Authorized Representative and the Issuer.

(b) Other than as specifically set forth herein, the Existing Notes Collateral Trustee shall not enter into any agreement or agreements that waive, amend or otherwise modify any Existing Collateral Security Document (other than the Existing Collateral Trust Agreement) or any provision thereof without the written consent of the Required Existing Collateral Secured Parties.

(c) Without the consent of any Existing Collateral Authorized Representative, the Existing Notes Collateral Trustee and the Existing Collateral Grantors, at any time and from time to time, may enter into additional pledge or Existing Collateral Security Documents or one or more agreements supplemental to the Existing Collateral Trust Agreement or to any Existing Collateral Security Document, in the forms of provided as exhibits to the Existing Collateral Trust Agreement:

(i) to add to the covenants of the Grantors, for the benefit of the Existing Collateral Secured Parties, or to surrender any right or power herein conferred upon the Grantors;

(ii) to pledge or grant a security interest in any property or assets that are required to be pledged, or in which a security interest is required to be granted, to the Existing Notes Collateral Trustee pursuant to any Existing Collateral Security Document or any other applicable Existing Collateral Secured Debt Document (including for the avoidance of doubt, in connection with entering into definitive documentation for additional secured debt facility secured by the Existing Collateral);

(iii) to cure any ambiguity or omission, to correct or to supplement any provision herein or in any Existing Collateral Security Document that may be defective or inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising hereunder or under any Existing Collateral Security Document that shall not be inconsistent with any provision hereof or of any Existing Collateral Security Document; provided that such amendments shall not adversely affect the interests of the Existing Collateral Secured Parties in any material respect;

(iv) to add an additional Existing Collateral Grantor;

(v) to add an additional Existing Collateral Authorized Representative;

(vi) to provide for the assumption of any Existing Collateral Grantor's obligations in the case of a merger or consolidation or sale of all or substantially all of the assets of such Existing Collateral Grantor to the extent not prohibited by the terms of the Existing Collateral Secured Debt Documents; and

(vii) to the extent otherwise contemplated or permitted by the relevant Existing Collateral Secured Debt Documents.

(d) Without the consent of the Existing Collateral Authorized Representative of each applicable Series so affected, no amendment or supplement to the Existing Collateral Trust Agreement may:

(i) reduce, impair or adversely affect the right of any Existing Collateral Secured Party to vote its outstanding Existing Collateral Secured Obligations or participate in the direction by the Required Secured Parties or amend the provisions the Existing Collateral Security Documents related to the requisite percentage or number of holders of Existing Collateral Secured Obligations required to approve an

amendment or supplement of any Existing Collateral Security Document or to provide a direction by the Required Secured Parties;

(ii) reduce, impair or adversely affect the right of any Existing Collateral Secured Party to share in the order of application described under the caption "—Order of application" in the proceeds of enforcement of or realization on any Existing Collateral that has not been released in accordance with the terms of the Existing Collateral Trust Agreement;

(iii) provide that the Liens on all or substantially all of the Existing Collateral shall be released other than as in accordance with the Existing Collateral Trust Agreement; or

(iv) amend the provisions of the Existing Collateral Trust Agreement relating to amendments.

Voting

In connection with any matter under any Collateral Trust Agreement requiring a vote of holders of the applicable Secured Obligations, each Series of Secured Obligations will cast its votes in accordance with the Secured Debt Documents governing such Series of Secured Obligations. The amount of Secured Obligations to be voted by a Series of Secured Obligations will equal (1) the aggregate outstanding principal amount of Secured Obligations in respect of such Series of Secured Obligations (including the face amount of outstanding letters of credit whether or not then available or drawn), plus (2) the aggregate unfunded commitments to extend credit which, when funded, would constitute Indebtedness of such Series of Secured Obligations, in each case excluding the Secured Obligations held by defaulting holders of Secured Obligations. Following and in accordance with the outcome of the applicable vote under its Secured Debt Documents, the Authorized Representative of each Series of Secured Obligations will cast all of its votes under that Series of Secured Obligations as a block in respect of any vote under the applicable Collateral Trust Agreement.

Enforcement of Liens

Following the occurrence and continuation of an Event of Default under any applicable Secured Debt Document under any Series, the Authorized Representative under such Series may deliver a direction notice delivered to the applicable Collateral Trustee by or with the written consent of the applicable Authorized Representative of any Series notifying the applicable Collateral Trustee of an Event of Default under the applicable Secured Debt Documents of such Series (a "Notice of Actionable Default") to the applicable Collateral Trustee. Upon receipt of a direction in writing delivered to the 2025 Collateral Trustee (an "Act of Required LifeMiles Secured Parties") by, or with the written consent, of the Required LifeMiles Secured Parties, or receipt of an Act of Required Existing Collateral Secured Parties, as applicable, the applicable Collateral Trustee shall, within five Business Days thereafter, notify each applicable Authorized Representative of such receipt.

Upon the receipt of a direction in writing delivered to the 2025 Collateral Trustee (an "Act of Required LifeMiles Secured Parties") by, or with the written consent, of the Required LifeMiles Secured Parties, or Act of Required Existing Collateral Secured Parties, as applicable, and so long as an Event of Default has occurred and is continuing, the applicable Collateral Trustee may exercise the rights and remedies provided in the applicable Collateral Trust Agreement and the applicable Secured Debt Documents. The applicable Collateral Trustee has the right, in its discretion, to take or omit to take any action deemed proper by the Collateral Trustee and which action or omission is not inconsistent with the direction of the Secured Parties entitled to direct such Collateral Trustee pursuant to the applicable Collateral Trust Agreement. The applicable Collateral Trustee shall not follow any written directions received by it if such directions are known by the applicable Collateral Trustee to be in conflict with any provisions of law or the terms of the New Notes Indenture and applicable Secured Debt Documents, if the applicable Collateral Trustee shall have received an opinion of counsel to the effect that following such written directions would result in a breach of a provision or covenant contained in any applicable Secured Debt Document, if it determines that such direction would be unduly prejudicial to the rights of any other holder of New Notes, or if such direction would involve the Collateral Trustee in personal liability.

Limitation on Enforcement Actions; Prohibition on Contesting Liens

Each of the Collateral Trust Agreements shall provide that each Authorized Representative party thereto shall agree that it will not (i) accept any Lien on any New Notes Collateral subject to such Collateral Trust Agreement for the benefit of any applicable Secured Obligations other than pursuant to the Security Documents and the applicable Collateral Trust Agreement or (ii) contest (or support any other Person in contesting) the perfection, priority, validity or enforceability of a Lien held by or on behalf of any of the applicable Secured Parties in any proceeding (including any Insolvency or Liquidation Proceeding).

Further assurances

Subject to the applicable Guaranty and Security Principles, each Collateral Trust Agreement will provide that the Issuer and the applicable Guarantors will do or cause to be done all acts and things that may be required, or that the applicable Collateral Trustee (acting at the direction of the applicable Required Secured Parties) from time to time may reasonably request, to assure and confirm that the applicable Collateral Trustee holds, for the benefit of the holders of the applicable Secured Obligations, duly created and enforceable and perfected liens upon the applicable New Notes Collateral (including any property or assets that are acquired or otherwise become Collateral after the date of the applicable Collateral Trust Agreement), in each case, as contemplated by, and with the lien priority required under, the applicable Secured Debt Documents.

Subject to the applicable Guaranty and Security Principles, upon the reasonable request of the applicable Collateral Trustee (acting at the direction of the applicable Required Secured Parties) or any applicable Authorized Representative at any time and from time to time, each Issuer and New Notes Guarantor will promptly execute, acknowledge and deliver such security documents, instruments, certificates, notices and other documents, and take such other actions as shall be reasonably required, or that the applicable Collateral Trustee (acting at the direction of the applicable Required Secured Parties, acting reasonably) or the applicable Required Secured Parties may reasonably request, to create, perfect, assure or enforce the Liens and benefits intended to be conferred, in each case as contemplated by the applicable Secured Debt Documents for the benefit of the holders of applicable Secured Obligations.

Subject to the applicable Guaranty and Security Principles, without limiting the foregoing, substantially concurrently with the acquisition by the Issuer of any asset that is required to constitute Collateral, the Issuer will execute and deliver to the applicable Collateral Trustee for the benefit of the holders of the applicable Secured Obligations such UCC financing statements or take such other actions as shall be necessary to create, grant, establish and perfect the applicable Collateral Trustee's security interest in such assets or property for the benefit of the current and future holders of the applicable Secured Obligations.

Junior Lien Intercreditor Agreement

Pursuant to the terms of any applicable Junior Lien Document in connection with the issuance or incurrence by the Issuer or any other Issuer or New Notes Guarantor of any junior lien or subordinated indebtedness permitted under the applicable Secured Debt Documents, the applicable Issuer or New Notes Guarantor will enter into from time to time a Junior Lien Intercreditor Agreement substantially in the form of an exhibit to the applicable Collateral Trust Agreement. By their acceptance of the New Notes, each holder will be deemed to accept the terms of, agree to be bound by and authorize and direct the applicable Trustee or the applicable Collateral Trustee, as applicable, to enter into and perform its respective obligations under the Junior Lien Intercreditor Agreement, if any, binding the holders to the terms thereof.

Certain bankruptcy limitations

The right of any Collateral Trustee to foreclose upon, repossess and dispose of the New Notes Collateral upon the occurrence of an Event of Default would be significantly impaired by any bankruptcy law in the event that any bankruptcy case or other Insolvency or Liquidation Proceeding were to be commenced by or against the Issuer or any other Issuer or New Notes Guarantor prior to such Collateral Trustee having repossessed and disposed of the applicable New Notes Collateral (and in some cases, even after). Upon the commencement of a case for relief under the Bankruptcy Code, a secured creditor such as any Collateral Trustee is prohibited from foreclosing upon or

repossessing its security from a debtor in a bankruptcy case, or from disposing of previously repossessed security without prior bankruptcy court approval (which may not be given under the circumstances) or the consent of the debtor.

A bankruptcy court will allow a creditor to exercise remedies against collateral for "cause," including for lack of "adequate protection." In view of the broad equitable powers of a U.S. bankruptcy court, the breadth of the automatic stay upon a bankruptcy filing and the lack of a precise definition of the meaning of "cause" or "adequate protection," it is impossible to predict whether or when payments under the New Notes would be made following the commencement of a bankruptcy case (or the length of the delay in making any such payments), whether or when a Collateral Trustee could or would repossess or dispose of the New Notes Collateral, the value of the New Notes Collateral at any time during a bankruptcy case or whether or to what extent holders of the New Notes would be compensated for any delay in payment or loss of value of the New Notes Collateral. The Bankruptcy Code permits the payment and/or accrual of post-petition interest, expenses, costs and attorneys' fees to a secured creditor during a debtor's bankruptcy case only to the extent the value of such creditor's interest in the collateral is determined by the bankruptcy court to exceed the outstanding aggregate principal amount of the obligations secured by the collateral.

Furthermore, in the event a bankruptcy court determines that the value of the New Notes Collateral is not sufficient to repay all amounts due on the New Notes, the holders of the New Notes would hold secured claims only to the extent of the value of the New Notes Collateral to which the holders of the New Notes are entitled, and unsecured "deficiency" claims with respect to such shortfall, which deficiency claims would not need to be adequately protected during a bankruptcy case.

LifeMiles Guaranty and Security Principles

1. General Principles

(a) There may be certain legal and practical difficulties in obtaining guarantees and security from the LifeMiles Guarantors in every jurisdiction in which the LifeMiles Guarantors are or may be located. In particular:

(i) general legal and statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalisation", "earnings stripping", "controlled foreign corporation" and "capital maintenance" rules, retention of title claims, employee consultation or approval requirements and similar principles may limit the ability of a LifeMiles Guarantor or any of its restricted subsidiaries to provide a guarantee or security or may require that the guarantee or security be limited by an amount or otherwise. If any such limit applies, the guarantees and security provided will be limited to the maximum amount which the relevant LifeMiles Guarantor may provide having regard to applicable law (including any jurisprudence) and subject to fiduciary duties of management and directors (or other governing body) and (in the case of financial assistance) subject to the successful completion of all "whitewash" procedures which may be applicable;

(ii) the LifeMiles Guarantors will use commercially reasonable endeavours to assist in demonstrating that adequate corporate benefit accrues to the LifeMiles Guarantors and to overcome or mitigate any such limitations to the extent reasonably practicable;

(iii) the security and extent of its perfection will be agreed taking into account the cost to the LifeMiles Guarantors of providing security (including any increase to the tax cost of the LifeMiles Guarantors), and security and perfection will not be required to the extent such security or perfection are disproportionate to the benefits accruing to the New Notes Trustee and the 2025 Collateral Trustee (as reasonably determined by the Issuer and the New Notes Trustee) (acting on instructions from the relevant noteholders in accordance with the New Notes Indenture);

(iv) the LifeMiles Guarantors will not be required to give guarantees or enter into security documents if they are not wholly owned by the Issuer or another wholly owned restricted subsidiary, if it is not within the legal capacity of the relevant LifeMiles Guarantor or relevant restricted subsidiary or if it would conflict with the fiduciary duties of their directors or contravene any applicable legal or regulatory prohibition or result in a risk of personal or criminal liability on the part of any officer or director;

(v) the granting or perfection of security, when and to the extent required, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the New Notes Indenture or the 2025 Collateral Trust Agreement (as such time periods may be extended to the extent set forth therein) therefor or (if earlier or to the extent no such time periods are specified in the New Notes Indenture or the 2025 Collateral Trust Agreement) within the time periods specified by applicable law in order to ensure due perfection;

(vi) the registration of security interests in intellectual property relating to LifeMiles Collateral will not be required other than in Bermuda, Costa Rica and other jurisdictions as may be mutually agreed between the Issuer and the Collateral Trustee (acting on instructions from the relevant noteholders in accordance with the New Notes Indenture);

(vii) the granting, registration and/or perfection of security will not be required if it would have, or would be reasonably likely to have, a material adverse effect on the ability of a LifeMiles Guarantor to conduct its operations and business in the ordinary course or as otherwise permitted by the New Notes Indenture, the New Notes and the LifeMiles Security Documents;

(viii) any asset subject to any contract, lease, license or other third party arrangement in each case which is not prohibited by the terms of the New Notes Indenture, which prevents such asset from being charged (or assets which, if charged, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of a LifeMiles Guarantor or a restricted subsidiary in respect of those assets or which require the LifeMiles Guarantors or a restricted subsidiary to take any action materially adverse to the interests of any LifeMiles Guarantor or any restricted subsidiary) will be excluded from any relevant security document;

(ix) unless granted under a security document governed by New York law, all security (other than equity interests of wholly-owned subsidiaries) shall be governed by the law of and secure assets located in the jurisdiction of incorporation of such LifeMiles Guarantor or any jurisdiction in which a LifeMiles Guarantor is incorporated (a "Covered Jurisdiction"); it being understood and agreed that each of Bermuda, Costa Rica and El Salvador are Covered Jurisdictions;

(x) no perfection action will be required in jurisdictions other than Covered Jurisdictions;

(xi) the maximum guaranteed or secured amount may be limited by guarantee limitation language consistent with customary practice in the relevant jurisdiction to minimize stamp duty, notarization, registration or other applicable fees, taxes and duties where the economic benefit of increasing the guaranteed or secured amount is disproportionate to the level of such fee, taxes and duties or where registration, notarial or other fees are payable by reference to the stated amount secured, in which case any security granted by any LifeMiles Guarantor shall be limited to the maximum recoverable amount under the guarantee;

(xii) guarantees and security will not be required from or over, or over the assets of, any joint venture or similar arrangement, any minority interest or any restricted subsidiary that is not wholly-owned by a LifeMiles Guarantor or another wholly owned restricted subsidiary;

(xiii) security will not be required over any Excluded Asset (and such assets shall be excluded from any relevant security document);

(xiv) no guarantee or security will be given or granted by any LifeMiles Guarantor that is not an "eligible contract participant" to guarantee or secure any swap obligation, and such excluded swap obligations shall not constitute Swap/Cash Management Obligations guaranteed by a LifeMiles Guarantor or secured by its assets;

(xv) security will only be required to be given by the LifeMiles Guarantor and (in respect of any Equity Interest in a LifeMiles Guarantor or a material wholly owned restricted subsidiary of a LifeMiles Guarantor) the applicable holding company (but no security will be given over any Equity Interest that is an Excluded Asset); and

(xvi) guarantees and security will only be required to be given by the Issuer and the Guarantors and wholly-owned restricted subsidiaries (other than Excluded Subsidiaries, which shall not give guarantees or security).

(b) The New Notes Trustee shall promptly discharge any guarantees and release any security that is or has become subject to any prohibition referred to in paragraph (a) above, subject to the New Notes Trustee receiving an officer's certificate and opinion of counsel certifying that all conditions precedent in relation to such discharge and release have been satisfied and so long as the relevant LifeMiles Guarantor has not taken any actions for the purpose of creating such prohibition in contemplation of or in order to avoid the granting of guarantees or security.

(c) Each security document will contain a clause which records that if there is a conflict and/or inconsistency between such security document and the 2025 Collateral Trust Agreement then (to the extent it does not affect the validity of the security interest) the provisions of the Collateral Trust Agreement shall control, and take priority over, the provisions of such security interest.

2. Guarantors and Security

(a) Subject to the guarantee limitations set out in the New Notes Indenture or the applicable Collateral Trust Agreement, each guarantee will be an upstream, cross-stream and downstream guarantee and security for all "Secured Obligations" of the LifeMiles Guarantors under the New Notes Indenture in accordance with, and subject to, the requirements of the Agreed Security Principles, in each relevant jurisdiction.

(b) Where a LifeMiles Guarantor pledges shares, the security document will be governed by the laws of the company whose shares are being pledged and not by the law of the country of the pledgor.

(c) To the extent legally effective, all security shall be given in favor of the 2025 Collateral Trustee, and not the holder individually. "Parallel debt" provisions will be used where necessary; such provisions will be contained in the 2025 Collateral Trust Agreement and not the individual security documents unless required under local laws or such security documents are entered into after the date of the 2025 Collateral Trust Agreement.

(d) Any security document shall only be required to be translated, apostilled, notarized or notarially certified if required by law in order for the relevant security to become effective or admissible in evidence; provided that such action will not be required to the extent such action is disproportionate to the benefits accruing to the holders of the New Notes.

3. Terms of Security Documents

The following principles will be reflected in the terms of any security taken in connection with the New Notes:

(a) the security will be first ranking, to the extent possible (subject to Permitted Liens);

(b) security will not be enforceable until an Event of Default under the applicable Security Document (a "Declared Default") has occurred and is continuing;

(c) only the New Notes Trustee and the 2025 Collateral Trustee shall be obligated, and shall have the right under the applicable Collateral Trust Agreement and the relevant security document, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action;

(d) the New Notes Trustee shall only be able to exercise a power of attorney (i) following the occurrence and during the continuance of a Declared Default or (ii) if a LifeMiles Guarantor has failed to comply with a further assurance or perfection obligation (after written notice to such LifeMiles Guarantor and any grace period applicable thereto has expired), but in the case of this clause (ii), only to the extent necessary to comply with such further assurance or perfection obligation;

(e) the provisions of each security document will not be unduly burdensome on a LifeMiles Guarantor, will not interfere materially with the operation of its business or prevent or restrict what is otherwise permitted under the New Notes Indenture, will be limited to those required by local law to create or perfect security and will not impose commercial obligations;

(f) information, such as lists or descriptions of assets or related certifications, will be provided if, and only to the extent, required by local law to be provided to perfect or register the security and, when required, shall be provided at the reasonable request of the New Notes Trustee or the 2025 Collateral Trustee and no more frequently than semi-annually (unless required to be provided by local law more frequently) or, following an Event of Default, upon the New Notes Trustee's or the 2025 Collateral Trustee's reasonable request;

(g) security will, where possible and practical, automatically create security over future assets of the same type as those already secured; where local law requires supplemental pledges to be delivered in respect of future acquired assets in order for effective security to be created over that class of asset, such supplemental pledges shall be provided at intervals no more frequent than once every six months (unless required more frequently under local law);

(h) the Security Documents will not accrue additional interest on any amount in respect of which interest is accruing under the New Notes; and

(i) the LifeMiles Security Documents will state that the proceeds of enforcement will be applied as specified in the 2025 Collateral Trust Agreement.

4. Bank Accounts

No notices of security shall be required to be given and no control agreements will be required to be entered into and no registrations made with respect to bank accounts or investment accounts in each case of the LifeMiles Guarantors.

5. Fixed Assets

If a LifeMiles Guarantor grants security over its material fixed assets, it shall be free to deal with those assets in the course of its business until the occurrence and continuance of a Declared Default.

No notice, whether to third parties or by attaching a notice to the fixed assets, shall be given until the occurrence and continuance of a Declared Default.

If required under local law, security over fixed assets will be registered subject to the general principles set out in these LifeMiles Security Principles; provided that security over fixed assets will, to the extent that such security creates a charge over the assets of a Bermuda company, in any event be registered in Bermuda.

6. Intellectual Property

If a LifeMiles Guarantor grants security over its material intellectual property it shall be free to deal with such assets and any goodwill associated therewith in the course of its business (including, without limitation, allowing its intellectual property to lapse if no longer material to its business) in accordance with the terms of the New Notes, the New Notes Indenture and the LifeMiles Security Documents until the occurrence of an Event of Default.

No security shall be granted over any licensed intellectual property which cannot be secured under the terms of the relevant licensing agreement other than agreements solely between a LifeMiles Guarantor and the Issuer of another Guarantor. No notice shall be given to any third party from whom intellectual property is licensed until a Declared Default has occurred and is continuing.

No intellectual property security will be required to be registered under a relevant supra-national registry.

No source code escrow arrangement shall be required, and no LifeMiles Guarantor shall be obligated to register intellectual property.

7. Intercompany Receivables

Subject to the final paragraph below, if a LifeMiles Guarantor grants security over its material intercompany receivables it shall, subject to the terms of the New Notes, the New Notes Indenture and the LifeMiles Security Documents and any applicable intercreditor agreement, be free to deal with those receivables in the course of its business until the occurrence and continuance of a Declared Default.

If required by local law to perfect the security, notice of the security will be served on the relevant debtor within five Business Days of the security being granted and the applicable LifeMiles Guarantor shall use its commercially reasonable endeavours to obtain an acknowledgement of that notice within 20 Business Days of service. Irrespective of whether notice of the security is required for perfection but subject to the succeeding paragraph, if the service of notice would prevent such LifeMiles Guarantor from dealing with an intercompany receivable in the course of its business, no notice of security shall be served until the occurrence and continuance of a Declared Default.

If required under local law, security over intercompany receivables will be registered, subject to the general principles set out in these LifeMiles Security Principles; provided that security over intercompany receivables will, to the extent that such security creates a charge over the assets of a Bermuda company, in any event be registered in Bermuda.

8. Trade Receivables

If a LifeMiles Guarantor grants security over its material trade receivables it shall be free to deal with those receivables in the course of its business until the occurrence and continuance of a Declared Default.

No notice of security may be served until the occurrence and continuance of a Declared Default and the New Notes Trustee has provided written notice to the Issuer.

No security will be granted over any trade receivables which cannot be secured under the terms of the relevant contract.

If required under local law, security over trade receivables will be registered subject to the general principles set out in these LifeMiles Security Principles.

Any list of trade receivables required shall not include details of the underlying contracts.

9. Shares

Until a Declared Default that has occurred and is continuing and the 2025 Collateral Trustee has provided three Business Days' notice to the applicable LifeMiles Guarantor, the applicable LifeMiles Guarantor will be permitted to retain and to exercise voting rights appertaining to any shares charged by it provided that any exercise of voting rights does not materially adversely affect the validity or enforceability of the share security under the relevant security document or cause a Declared Default and the company whose shares have been charged will be permitted to pay dividends upstream on pledged shares to the extent permitted under the New Notes, the New Notes Indenture and the Security Documents with the proceeds to be available to the Issuer and its Subsidiaries. Following an Event of Default, after all Events of Default have been cured or waived, all voting and other consensual rights shall revert to the applicable LifeMiles Guarantor who shall thereupon have the sole right to exercise such voting and other consensual rights that such pledgor would otherwise be permitted to exercise pursuant to the immediately preceding sentence.

10. Release and/or Subordination of Security

Unless required by local law, the circumstances in which the security shall be released or subordinated should not be dealt with in individual security documents but, if so required, shall, except to the extent required by local law or for the purpose of filing any release under local law, be the same as those set out in the New Notes Indenture or the 2025 Collateral Trust Agreement, as applicable.

DESCRIPTION OF OTHER INDEBTEDNESS

Exit Notes

Overview

On December 1, 2021, MidCo 2 issued (i) US$1,111.9 million aggregate principal amount of Tranche A-1 Senior Secured Notes (which are the Existing Notes we are offering to exchange for New Notes under this Offer and Solicitation) and (ii) US$583.9 million aggregate principal amount of Tranche A-2 Senior Secured Notes. The Tranche A-1 Senior Secured Notes and the Tranche A-2 Senior Secured Notes bear interest at 9.000% and pay interest on June 1 and December 1 of each year, commencing on June 1, 2022. The Tranche A-1 Senior Secured Notes and the Tranche A-2 Senior Secured Notes mature on December 1, 2028.

Concurrently with Offer and Solicitation, Midco 2 expects to commence the Concurrent Offering. See "Summary—Recent Developments— Concurrent Offering of Refinancing Notes." We intend to use a portion of the proceeds from the Concurrent Offering to redeem the US$583.9 million outstanding aggregate principal amount of Tranche A-2 Senior Secured Notes in full at a redemption price of 101.000% of the aggregate principal amount thereof, plus any interest, additional amounts and premiums payable thereon.

Redemption

Tranche A-1 Senior Secured Notes Optional Redemption. MidCo 2 is entitled to redeem all or a portion of the Tranche A-1 Senior Secured Notes (i) at any time prior to December 1, 2024 with a make-whole premium; (ii) on or after December 1, 2024 but prior to December 1, 2025, at a redemption price of 104.500% of the principal amount to be redeemed; (iii) on or after December 1, 2025 but prior to December 1, 2026, at a redemption price of 102.250% of the principal amount to be redeemed and (iv) on or after December 1, 2026, at a redemption price of 100.000% of the principal amount to be redeemed; plus accrued and unpaid interest and additional amounts thereon to, but excluding, the applicable redemption date.

Tranche A-2 Senior Secured Notes Optional Redemption. MidCo 2 is entitled to redeem all or a portion of the Tranche A-2 Senior Secured Notes (i) at any time prior to December 1, 2023 with a make-whole premium; (ii) on or after December 1, 2023 but prior to December 1, 2024, at a redemption price of 102.000% of the principal amount to be redeemed; (iii) on or after December 1, 2024 but prior to December 1, 2025, at a redemption price of 101.000% of the principal amount to be redeemed and (iv) on or after December 1, 2025, at a redemption price of 100.000% of the principal amount to be redeemed; plus accrued and unpaid interest and additional amounts thereon to, but excluding, the applicable redemption date.

Equity Redemption. At any time prior to December 1, 2024 with respect to the Tranche A-1 Senior Secured Notes, and December 1, 2023 with respect to the Tranche A-2 Senior Secured Notes, MidCo 2 is entitled to redeem up to 35.0% of the aggregate principal amount of the Tranche A-1 Senior Secured Notes and the Tranche A-2 Senior Secured Notes, as applicable, with (i) the net proceeds of any equity offering or offerings of bona fide convertible debt by any parent entity of Midco 2 at a redemption price equal to 104.500% of the principal amount to be redeemed or (ii) the incurrence of unsecured indebtedness at a redemption price equal to 109.000% of the principal amount to be redeemed; plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

Tax Event. If upon the occurrence of certain tax events resulting in MidCo 2 or any guarantor being obliged to pay additional amounts, MidCo 2 or any guarantor may redeem all, but not less than all, of the Tranche A-1 Senior Secured Notes and/or the Tranche A-2 Senior Secured Notes, as applicable, at par plus accrued and unpaid interest to the date fixed for redemption.

Guarantee and Security

The Exit Notes are unconditionally guaranteed, on a senior basis by the Existing Notes Guarantors, including AGIL.

The Exit Notes are secured by the Existing Collateral, which consists of certain aircraft mortgages, security agreements on certain intellectual property, pledge agreements on the shares of certain subsidiaries, deposit accounts and control agreements. The Exit Notes are not and will not be guaranteed by the LifeMiles Guarantors and secured by the LifeMiles Collateral.

Covenants

The Exit Notes indentures contain covenants limiting MidCo 2's ability, the ability of guarantors and the ability of the restricted subsidiaries to, among other things, and subject to certain exceptions:

- incur additional debt or issue certain convertible and preferred stock;
- incur obligations to make aircraft and engine lease rental payments in an aggregate amount during each calendar year exceeding (i) $480.0 million prior to January 1, 2026; and (ii) on or after January 1, 2026, 110% of the estimated annual aircraft and lease payments set forth in MidCo 2 business plan approved by certain lenders;
- enter into certain transactions with affiliates;
- create liens on MidCo 2's and the guarantors' assets;
- have Liquidity of less than $400.0 million at the end of any business day;
- make certain restricted payments;
- maintain MidCo 2's and the guarantors' cash and cash equivalents in accounts other than accounts subject to a deposit account control agreement;
- pay dividends or make distributions on capital stock or redeem, purchase or retire capital stock or subordinated debt;
- make certain investments;
- designate subsidiaries as unrestricted subsidiaries;
- sell assets;
- permit restricted subsidiaries to create encumbrances or restrictions to pay dividends, make loans and sell or transfer any of their properties to MidCo 2, the guarantors or any of the restricted subsidiaries;
- modify the terms of the loyalty programs; and
- merge, consolidate, spinoff, sell, convey, transfer, dispose or lease of all or substantially all of MidCo 2 or the guarantors' assets.

Change of Control. Upon a rating decrease of the Tranche A-1 Senior Secured Notes or the Tranche A-2 Senior Secured Notes that results from a change of control, MidCo 2 will offer to purchase all outstanding Tranche A-1 Senior Secured Notes and/or Tranche A-2 Senior Secured Notes, as applicable, at a purchase price equal to 101% of the principal amount plus accrued interest up to, but not including the date of purchase.

The Exit Notes indentures also contain certain customary affirmative covenants pertaining to notice and filings with the trustee and other customary covenants.

Events of Default

The Exit Notes indentures also provide for customary events of default, including, without limitation, payment defaults, covenant defaults, cross-defaults to certain other indebtedness, judgment defaults in excess of specified amounts, certain events of bankruptcy and insolvency, the failure of any guaranty by a significant subsidiary to be in full force and effect, and the failure of any liens created over any collateral to be valid and perfected. If any such event of default occurs, it may permit or require the principal and interest obligations on all the then outstanding Tranche A-1 Senior Secured Notes and Tranche A-2 Senior Secured Notes, as applicable, to be due and payable immediately.

Refinancing Notes

Concurrently with the Offer and Solicitation, Midco 2 intends to commence the Concurrent Offering. See "Summary—Recent Developments—Concurrent Offering of Refinancing Notes." As of the date of this Exchange Offer and Consent Solicitation Memorandum, we have not yet commenced the Concurrent Offering. Our ability to consummate the Concurrent Offering is subject to market conditions, and we cannot assure you that we will be able to consummate the Concurrent Offering on the terms or on the timetable described herein, or at all. See "Risk Factors—Risks Related to the New Notes Collateral—Risks Related to our indebtedness, the New Notes and the New Notes Guarantees". Subject to the terms and conditions described in the offering memorandum for the Concurrent Offering, the Refinancing Notes are expected to be issued concurrently with the New Notes. The terms of the Refinancing Notes will be described in the offering memorandum for the Concurrent Offering, and are expected to include the following terms:

Redemption

Optional Redemption. MidCo 2 will be entitled to redeem all or a portion of the Refinancing Notes prior to the first call date to be included in the final offering memorandum for the Concurrent Offering, at a price equal to 100% of the principal amount of the Refinancing Notes, so redeemed, plus accrued and unpaid interest and additional amounts thereon, if any, to, but not including, the date of redemption, plus a "make-whole" premium. On or after the first call date, MidCo 2 will be entitled to redeem all or a portion of the Refinancing Notes at the redemption prices set forth in the offering memorandum for the Concurrent Offering, together with accrued and unpaid interest, if any, to, but not including, the date of redemption. Midco 2 will also be entitled to redeem a portion of the Refinancing Notes prior to the first call date with the proceeds of certain equity offerings at the redemption price set forth in the offering memorandum for the Concurrent Offering.

Tax Event. If upon the occurrence of certain tax events resulting in MidCo 2 or any guarantor being obliged to pay additional amounts, MidCo 2 or any guarantor may redeem all, but not less than all, of the Refinancing Notes, at par plus accrued and unpaid interest to the date fixed for redemption.

Guarantee and Security

The Refinancing Notes will be unconditionally guaranteed, on a senior basis by the New Notes Guarantors.

The Refinancing Notes will be secured by the New Notes Collateral on a *pari passu* basis with the New Notes.

Covenants

The Refinancing Notes will contain covenants limiting MidCo 2's ability, the ability of its guarantors and the ability of the restricted subsidiaries to, among other things, and subject to certain exceptions:

- incur additional indebtedness;
- issue certain preferred stock or similar equity securities;
- enter into transactions with affiliates;

- pay dividends or make other distributions or repurchase or redeem our capital stock;
- prepay, redeem or repurchase certain indebtedness;
- make loans and investments;
- incur liens;
- dispose of certain assets;
- modify the terms of the loyalty program;
- enter into agreements restricting our subsidiaries' ability to pay dividends;
- modify the terms of the loyalty programs; and
- consolidate, merge or sell all or substantially all of our assets.

Change of Control

Upon a ratings downgrade resulting from a change of control, MidCo 2 will offer to purchase all outstanding Exchange Notes at a purchase price equal to 101% of the principal amount plus accrued interest up to, but not including, the date of purchase

The Refinancing Notes will also contain certain customary affirmative covenants pertaining to notice and filings with the trustee and other customary covenants.

Events of Default

The Refinancing Notes will also provide for customary events of default, including, without limitation, payment defaults, covenant defaults, cross-defaults to certain other indebtedness, judgment defaults in excess of specified amounts, certain events of bankruptcy and insolvency, the failure of any guaranty by a significant subsidiary to be in full force and effect, and the failure of any liens created over any collateral to be valid and perfected. If any such event of default occurs, it may permit or require the principal and interest obligations on all the then outstanding Refinancing Notes to be due and payable immediately.

LifeMiles Credit Agreement

Overview

On August 30, 2021, our indirect wholly-owned subsidiaries LifeMiles Borrower and LifeMiles Co-Borrower, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent entered into the LifeMiles Credit Agreement for a term loan in an aggregate principal amount of $400.0 million. On September 20, 2024, LifeMiles Borrower borrowed an additional $100.0 million through the LifeMiles Credit Agreement Incremental Loan under the existing LifeMiles Credit Agreement.

The loans under the LifeMiles Credit Agreement are subject to amortization in equal quarterly installments (which commenced on December 31, 2021) of principal in an aggregate amount equal to 2.5% of the initial term loans, with the remaining balance payable at the final date of maturity on August 28, 2026.

As of September 30, 2024, the principal amount outstanding under the LifeMiles Credit Agreement was $377.5 million.

We intend to use a portion of the proceeds from the Concurrent Offering to redeem the loans under the LifeMiles Credit Agreement in full. See "Use of Proceeds."

Interest Rate

Borrowings under the LifeMiles Credit Agreement bear interest at a rate per annum equal to either (i) adjusted Term SOFR for the applicable tenor plus 5.25% or (ii) the alternate base rate (the alternate base rate defined as the highest of (w) the federal funds effective date plus 0.50%, (x) adjusted Term SOFR plus 1%, (y) one-month Term SOFR rate plus 1% and (z) with respect to the initial loans, 2%) plus 4.25%. Interest is payable at the end of the interest period unless such interest period exceeds three months, in which case it is payable every three months.

Prepayment

The LifeMiles Credit Agreement requires LifeMiles Borrower to prepay outstanding amounts, subject to certain exceptions:

- upon receipt of the net proceeds of asset sales in excess of specified amounts;
- upon receipt of the net proceeds received under insurance policies or as a result of condemnation events;
- upon receipt of the net proceeds of issuance or incurrence of debt; and
- excess cash flow for the relevant period, subject to application percentages and other conditions.

LifeMiles Borrower may voluntarily prepay outstanding loans under the LifeMiles Credit Agreement at any time subject to customary breakage costs with respect to certain loans.

Guarantee and Security

LifeMiles Borrower's obligations under the LifeMiles Credit Agreement are guaranteed by all wholly-owned subsidiaries of LifeMiles Borrower, subject to customary exclusions. All obligations under the LifeMiles Credit Agreement are secured by all tangible and intangible assets of LifeMiles Borrower and such subsidiary guarantors, excluding owned real property with a value of less than $5.0 million.

Certain Covenants and Events of Default

The LifeMiles Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, the ability of LifeMiles Borrower and the subsidiary guarantors to:

- incur indebtedness;
- create liens;
- dispose of assets having a fair market value in excess of specified amounts;
- engage in mergers or consolidations;
- make certain payments and investments;
- enter into certain transactions with affiliates; and
- consummate transaction that would entail a change of control.

Pursuant to the LifeMiles Credit Agreement, LifeMiles Borrower's total leverage ratio cannot exceed 4.00:1.00.

The LifeMiles Credit Agreement also contain certain other customary covenants and events of default, including without limitation, breaches of representations and warranties, payment defaults, covenant defaults, certain

events of bankruptcy and insolvency, judgment defaults in excess of specified amounts and cross-defaults to certain other indebtedness in excess of specified amounts.

Credit Card Securitization Facilities

Taca Credit Card Securitization Facility

On March 4, 2022, Taca Credit Card Flow Limited, a bankruptcy-remote orphan special purpose vehicle, as the borrower, Banco de Bogotá S.A., as administrative agent and collateral agent, and the lenders party thereto entered into the Taca Credit Card Securitization Facility, pursuant to which Taca Credit Card Flow Limited borrowed $126.2 million under the Taca Tranche A Loan, and $14.0 million under the Taca Tranche B Loan.

The Taca Tranche A Loan is repaid in cash by Taca Credit Card Flow Limited with the proceeds of credit card receivables sold by Taca to Taca Credit Card Flow Limited pursuant to a Contract Rights and Air Travel Receivables Sale, Purchase and Servicing Agreement originally dated as of March 4, 2022 (as amended from time to time), by and among Taca as seller and servicer, Taca Credit Card Flow Limited as purchaser and AGIL, as guarantor.

The Taca Tranche A Loan has monthly amortizations in equal installments of principal in an aggregate amount equal to $1/84^{th}$ of the aggregate principal amount of the Taca Tranche A Loan as of the closing date and monthly interest payments. The Taca Tranche A Loan accrues interest at a rate per annum equal to one-month Term SOFR plus 2.16%.

The Taca Tranche B Loan is repaid by Taca Credit Card Flow Limited with the proceeds of the Miles sold by LifeMiles Borrower to Taca Credit Card Flow Limited pursuant to the LifeMiles Sale and Delivery Agreement dated as of March 4, 2022 (as amended from time to time), by and among LifeMiles Borrower, Taca Credit Card Flow Limited, Banco de Bogotá S.A., as administrative agent, the lenders under the Taca Credit Card Securitization Facility, Taca, AGIL and Tampa Cargo S.A.S. The Taca Tranche B Loan has annual amortizations in equal installments of principal in an aggregate amount equal to $1/7^{th}$ of the aggregate principal amount of the Taca Tranche B Loan as of the closing date and monthly interest payments.

The Taca Loans bear interest at a rate per annum equal to one-month Term SOFR plus 2.16%. The Taca Tranche A Loan matures on December 10, 2030 and the Taca Tranche B Loan matures on March 10, 2028.

Voluntary prepayments of all, but not part, of the principal amounts outstanding under the Taca Credit Card Securitization Facility are permitted on any interest payment date.

The Taca Loans are secured by certain contract rights of Taca, certain collection accounts and debt service reserve accounts, the rights under the Contract Rights and Air Travel Receivables Sale, Purchase and Servicing Agreement and certain other rights and assets as set forth in the Taca Credit Card Securitization Facility.

The Taca Credit Card Securitization Facility contains a financial covenant which requires AGIL to maintain a minimum Liquidity of at least $400.0 million at any time a Taca Loan is outstanding. In addition, if at any time after the closing date of the Taca Credit Card Securitization Facility, Taca, AGIL or any of their respective subsidiaries enter into any agreement providing financing, or amend any existing agreement providing any such financing, which agreement or amendment, in each case, exceeds $25.0 million, and contains financial covenants of any kind, such financial covenants shall be deemed to apply to the Taca Credit Card Securitization Facility.

The Taca Credit Card Securitization Facility contains restrictive covenants which, among other things, limit the incurrence of additional indebtedness, investments, asset sales, acquisitions, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements.

The Taca Credit Card Securitization Facility contains customary events of default, including without limitation, payment defaults, collections coverage ratio is below 4.00:1.00, breaches of representations and warranties, the occurrence of a trigger event, covenant defaults, cross-acceleration to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts,

termination of receivables sale and purchase agreements, security documents cease to create effective security interest, and the occurrence of a material adverse effect.

As of September 30, 2024, the total outstanding debt under the Taca Credit Card Securitization Facility was $112.7 million under the Taca Tranche A Loan, and $8.0 million under the Taca Tranche B Loan.

Change of control

Upon the occurrence of a change of control, a trigger event would occur that would (i) give rise to an event of default under the Taca Loan Agreement that would permit the lenders to accelerate any indebtedness outstanding thereunder, (ii) allow for the early termination of the Receivables Sale, Purchase and Servicing Agreement under the Taca Credit Card Securitization Facility and (iii) require Taca to pay a specified liquidated damages amount to unwind the facility.

USAVFlow II Credit Card Securitization Facility

On September 10, 2024, USAVFlow II, a bankruptcy-remote orphan special purpose vehicle, as the borrower, AGIL and Avianca Costa Rica, as guarantors, Deutsche Bank Trust Company Americas, as administrative agent and collateral agent, and the lenders party thereto entered into the USAVFlow II Credit Card Securitization Facility, pursuant to which USAVFlow II borrowed $200.0 million, which may be increased by an amount not to exceed $125 million pursuant to an incremental facility amendment, subject to customary conditions. As of September 30, 2024, the principal amount outstanding under the USAVFlow II Loan was $200.0 million.

The USAVFlow II Loan will be paid with the proceeds of certain credit card receivables assigned to USAVFLow II by Aerovías and Taca pursuant to certain contract rights and receivables sale and purchase agreements.

The USAVLow II Loan is subject to amortizations in equal monthly installments (commencing after the first anniversary of the closing date) of principal in an aggregate amount of $4,166,666.67 per month, with the remaining balance payable at the final date of maturity. The USAVFlow II Loan matures on September 10, 2029. The USAVFlow II Loan bears interest at a rate of either (x) one-month Term SOFR plus 6.50% per annum or (y) in certain specified circumstances, the alternate base rate (defined as the highest of (x) the prime rate announced by the administrative agent, (y) the federal funds rate plus 0.50% per annum and (z) the one-month Term SOFR rate plus 1%).

The obligations of USAVFlow II under the USAVFlow II Loan Agreement are guaranteed by AGIL and Avianca Costa Rica and are secured by certain contract rights of Taca and Aerovías, certain collection accounts and debt service reserve accounts, the rights under the contract rights and receivables sale and purchase agreement among USAVFlow II, Taca and Aerovías, and certain other rights and assets as set forth in the USAVFlow Credit Card Securitization Facility.

The proceeds of the USAVFlow II Loan were used by USAVFlow II to finance the purchase of certain contract rights and receivables from Aerovías and Taca pursuant to the applicable contract rights and receivables sale and purchase agreement.

In addition, mandatory prepayments will be required to prepay the USAVFlow II Loan upon the occurrence of:

(i) a Retention Event (as defined in the USAVFlow II Credit Card Securitization Facility) that has continued for three consecutive months;

(ii) USAVFlow II, AGIL, Avianca Costa Rica, Aerovías or Taca default under other indebtedness in excess of a specified amount; or

(iii) a final judgment is entered against USAVFlow II, AGIL, Avianca Costa Rica, Aerovías or Taca (in the case of AGIL, Avianca Costa Rica, Aerovías or Taca, in excess of a specified amount).

Voluntary prepayments of all, but not part, of the principal amounts outstanding under the USAVFlow II Loan will be permitted at any time after the 24-month anniversary of the closing, subject to customary breakage costs.

The USAVFlow II Credit Card Securitization Facility contains certain financial covenant which requires AGIL and its subsidiaries (on a consolidated basis) to maintain a minimum Liquidity of at least $400.0 million at any time a loan is outstanding. Additionally, if at any time after the closing date of the USAVFlow II Credit Card Securitization Facility, AGIL, Avianca Costa Rica, Aerovías or Taca, or any of their respective subsidiaries, enter into any agreement providing financing in excess of $25.0 million, which agreement contains one or more financial covenants of any kind, such financial covenants shall be deemed to apply to the USAVFlow II Credit Card Securitization Facility for so long as such agreement remains outstanding.

The USAVFLow II Credit Card Securitization Facility contains restrictive covenants which, among other things, limit the incurrence of additional indebtedness, investments, dividends, transactions with affiliates, asset sales, acquisitions, mergers and consolidations, liens and encumbrances and other matters customarily restricted in such agreements, subject to certain exceptions.

The USAVFlow II Credit Card Securitization Facility contains customary events of default, including without limitation, payment defaults, collections coverage ratio is below 3.00:1.00, the occurrence and continuation of a Trigger Event (as defined in the USAVFlow II Credit Card Securitization Facility), breaches of representations and warranties, covenant defaults, cross-defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts, termination of receivables sale and purchase agreements or certain card processing agreements, failure to make payments under card processing agreements, security documents cease to create effective security interest, and a change of control.

Revolving Credit Facility

Overview

On November 26, 2024, Aerovías repaid in full and terminated its 2022 Revolving Credit Facility entered into on December 27, 2022 with Citibank, N.A., as administrative agent and collateral agent, and the various lenders party thereto. As of September 30, 2024, the aggregate principal amount outstanding under the 2022 Revolving Credit Facility was $100.0 million.

On November 26, 2024, Aerovías, acting through Aerovias Florida, entered into the Revolving Credit Facility with Citibank, N.A., as administrative agent and collateral agent, and the various lenders party thereto, which provides for initial aggregate commitments of an amount not to exceed $200.0 million, which may be increased by an additional $100.0 million through an incremental facility. The Revolving Credit Facility matures on November 26, 2027. As of the date of this Exchange Offer and Consent Solicitation Memorandum, the Revolving Credit Facility remains undrawn.

Interest Rate and Fees

The interest rate payable on borrowings under the Revolving Credit Facility is a percentage per annum equal to either (i) Term SOFR for the applicable tenor plus 3.50% or (ii) in certain specified circumstances, the alternate base rate (defined as the highest of (x) the prime rate announced by the administrative agent, (y) the overnight federal funds rate plus 0.50% and (z) one-month Term SOFR rate plus 1%) plus 2.50%. Aerovias Florida may select interest periods of one, three or six months. Interest is payable at the end of the selected interest period, unless such interest period exceeds three months, in which case it is payable every three months.

In addition, Aerovias Florida is required to pay to the lenders under the Revolving Credit Facility a commitment fee in respect of the Revolving Credit Facility of 1% per annum on the average daily unutilized commitments, which is payable quarterly in arrears, and a commitment fee in respect of any letter of credit issued thereunder of 2% per annum on the daily average exposure of such letter of credit and other customary and reasonable fees payable in respect of letters of credit.

Prepayment

The Revolving Credit Facility requires Aerovias Florida to prepay any loan outstanding thereunder (or, if applicable, provide cash collateralization in respect of any letter of credit):

(i) upon receipt by Avianca Florida, any guarantor or its subsidiaries of net proceeds paid in connection with certain disposition of collateral, or any casualty event, condemnation or loss in respect of collateral, with the net proceeds thereof in an amount necessary (if any) to comply with the collateral coverage ratio subject to certain exceptions and reinvestment provisions;

(ii) if Avianca Florida fails to comply with the collateral coverage ratio and does not provide additional collateral following within the applicable grace period, in the amount necessary to comply with the collateral coverage ratio;

(iii) if at any time the aggregate amount of loans and letter of credit exposures exceed the aggregate commitments under the Revolving Credit Facility, in the amount necessary to prepay such excess; or

(iv) at any time there is a revolving loan outstanding, if the available Liquidity of Aerovia Florida and guarantors is less than $400.0 million.

Upon the occurrence of (i) a change of control of Aerovias Florida or (ii) a change of control of AGIL that results in (x) a rating decline of AGIL or its unsecured indebtedness, or (y) a breach of certain sanctions, anti-corruption or anti-money laundering representations or covenants, Aerovias Florida would be required to make an offer to each lender to prepay all or part of the outstanding indebtedness of such lender under the Revolving Credit Facility at a price of equal to 100% of the principal amount thereof, plus accrued and unpaid interest, commitment fees or any other applicable fee outstanding as of the date of such prepayment, and customary breakage costs, if any.

Aerovias Florida may voluntarily prepay outstanding loans or terminate commitments under the Revolving Credit Facility at any time, subject to the payment of any accrued and unpaid interest, commitment fees or any other applicable fee outstanding as of the date thereof, and customary breakage costs, if any.

Use of Proceeds

Aerovia Florida may use the proceeds of the loans for fleet renovations and other general corporate purposes of Aerovias Florida and its subsidiaries.

Incremental Facility

The Revolving Credit Facility provides for an incremental facility that Aerovias Florida may use to increase commitments under the Revolving Credit Facility by an additional $100.0 million, subject to customary conditions and exceptions.

Guarantee and Security

All of Aerovias Florida' obligations under the Revolving Credit Facility are unconditionally guaranteed by AGIL and certain of its subsidiaries.

All obligations under the Revolving Credit Facility, and the guarantees of such obligations, may be secured at a later time by certain assets of Aerovias Florida and certain subsidiary grantors, as outlined in the Revolving Credit Facility, including eligible receivables from the cargo business unit, eligible spare parts, spare engines and eligible slots at eligible airports, eligible ground support equipment, eligible aircrafts, eligible real estate or cash collateral.

Certain Covenants and Events of Default

The Revolving Credit Facility contains restrictive covenants that, among other things and subject to certain thresholds, exceptions and "baskets," limit the ability of Aerovias Florida, the guarantors and certain of its and their subsidiaries to:

(i) dispose of, or grant liens on, any collateral;

(ii) use, lease or otherwise operate or maintain certain pledged aircraft or engines;

(iii) at any time a loan is outstanding, have a Liquidity of less than $400.0 million (including unrestricted cash or cash equivalent, available commitments under revolving facilities and net proceeds of certain securities offerings);

(iv) engage in mergers or consolidations;

(v) enter into certain transactions with affiliates;

(vi) consummate transactions that would result in a change of control; and

(vii) other matters customarily restricted in such agreements.

The Revolving Credit Facility contains a minimum collateral coverage ratio of 1.0x.

The Revolving Credit Facility also contains certain other customary covenants and events of default, including without limitation, breaches of representations and warranties, payment defaults, covenant defaults, failure of any material provision of any loan document or lien to be in full force and effect, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts and cross-defaults to certain other indebtedness in excess of specified amounts.

Spare Engines Facility

On March 13, 2015, Bank of Utah, as owner trustee and borrower, AVH as owner participant and guarantor, Aerovías and Taca, as guarantors, Credit Agricole Corporate and Investment Bank, as initial lender and administrative agent and Wells Fargo Bank Northwest, National Association, as security trustee, entered into the Spare Engines Facility. As of September 30, 2024, the aggregate principal amount outstanding under the Spare Engines Facility was $29.6 million. The Spare Engines Facility was prepaid in full on September 30, 2024.

Wamos Facility

On December 31, 2024, Wamos Air, as borrower, Wav Air Holdings S.L., as borrower parent, the Existing Guarantors party thereto, Alter Domus Agency Services (UK) Limited, as agent, Alter Domus Trustees (UK) Limited, as security trustee, and the lenders party thereto entered into the Wamos Facility, pursuant to which the lenders made available commitments to advance term loans in the aggregate amount of €22.0 million, with, subject to the completion of certain customary conditions precedent, a delayed draw in the amount of €14.0 million.

The Wamos Facility is subject to quarterly amortizations in an amount equal to 15% per annum of the principal amount of loans advanced as of the relevant borrowing date, with any remaining balance payable at the final date of maturity. The Wamos Facility matures on the date that is five years after the initial disbursement of the loan, which occurred on January 6, 2025. The Wamos Facility bears interest at a rate of 3-month EURIBOR plus 6.50%.

The obligations of Wamos Air under the Wamos Facility are guaranteed by AGIL and certain Existing Guarantors and will be secured by 78% of the shares of Wamos Air held by Wav Air Holdings S.L. on the terms and conditions set forth in the Wamos Facility agreement.

The proceeds of the Wamos Facility may be used to repay certain intercompany accounts payable and other similar arrangements, the payment of certain fees and for general working capital of Wamos Air and its subsidiaries.

In addition, mandatory prepayments will be required to prepay the Wamos Facility upon the occurrence of any of the following: (i) it becomes illegal for any of the lenders to hold the loan, but only with respect to such lender's participation; (ii) a Change of Ownership (as defined in the Wamos Facility), if the majority of lenders demand prepayment of the outstanding loans; (iii) a refinancing of the Exit Notes or certain specified material amendments of the Exit Notes, if any lender demands the prepayment of its loans, but only with respect to the loans of such lender; (iv) Wamos Air or any of its subsidiaries becomes a guarantor of the Exit Notes, if the majority of lenders demand prepayment of the loans; (v) Wamos Air or its subsidiaries incur indebtedness in an aggregate amount exceeding $50.0 million if the majority of lenders demand prepayment of the loans, in the amount of such excess; (vi) the loans outstanding under the Wamos Facility exceed $25.0 million, in the amount of such excess; and (vii) to the extent there are certain cashflow, with the proceeds of certain excess cashflow. As set forth in item (iii) above, the consummation of the Transactions described in this Exchange Offer and Consent Solicitation Memorandum will trigger a right by the lenders under the Wamos Facility to demand the prepayment of the loans under the Wamos Facility, including a prepayment premium fee of 1.0% of the amount prepaid.

Voluntary prepayments of the principal amounts outstanding under the Wamos Facility is permitted at any time.

The Wamos Facility contains certain financial covenants which require Wamos Air and its subsidiaries to comply with a specified leverage ratio and to maintain a minimum liquidity of not less than €10.0 million. Additionally, the Wamos Facility contains restrictive covenants which, among other things, limit the incurrence of liens, dispositions, operating leases, transactions with affiliates, guarantees and indemnities, dividends, additional indebtedness, mergers and investments.

The Wamos Facility contains customary events of default, including without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts, repudiation of transaction documents, and expropriation.

FORM OF NEW NOTES, CLEARING AND SETTLEMENT

Global Notes

The New Notes will be issued in fully registered, global, certificated form to The Depository Trust Company, its nominees and their respective successors and assigns, as depositary for the beneficial owners thereof, or Global Notes, as follows:

- New Notes sold to qualified institutional buyers under Rule 144A will be represented by the "Rule 144A Global Note"; and
- New Notes sold in offshore transactions to non-U.S. persons in reliance on Regulation S will be represented by the "Regulation S Global Note."

Upon issuance, each of the Global Notes will be deposited with the New Notes Trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each Global Note will be limited to persons who have accounts with DTC ("DTC participants") or persons who hold interests through DTC participants (including Euroclear and Clearstream). We expect that under procedures established by DTC:

- upon deposit of each Global Note with DTC's custodian, DTC will credit portions of the principal amount of the Global Note to the accounts of the DTC participants designated by the Dealer Managers and Solicitation Agents; and
- ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the Global Note).

Beneficial interests in the Global Notes may not be exchanged for New Notes in physical, certificated form except in the limited circumstances described below, under "Certificated Notes."

Each Global Note and beneficial interests in each Global Note will be subject to restrictions on transfer as described under "Transfer Restrictions."

Exchanges Between the Global Notes

Transfers of a New Note or beneficial interest therein to a person who takes delivery in the form of a Restricted Global Note or beneficial interest therein may be made only upon receipt by the New Notes Trustee of a written certification from the transferor (in the form provided in the New Notes Indenture) to the effect that such transfer is being made to a person that the transferor reasonably believes is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Transfers of a New Note or beneficial interest therein to a person who takes delivery in the form of a Regulation S Global Note or beneficial interest therein may be made only upon receipt by the New Notes Trustee of a written certification from the transferor (in the form provided in the New Notes Indenture) to the effect that such transfer is being made in accordance with Rules 903 and 904 of Regulation S.

A beneficial interest in a Global Note that is transferred to a person who takes delivery through another Global Note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other Global Note.

Book-Entry Procedures for the Global Notes

All interests in the Global Notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we nor the Dealer Managers and Solicitation Agents or the New Notes Trustee (or any of our respective agents) are responsible for those operations or procedures.

DTC has advised that it is:

- a limited purpose trust company organized under the New York State Banking Law;
- a "banking organization" within the meaning of the New York State Banking Law;
- a member of the U.S. Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the Dealer Managers and Solicitation Agents; banks and trust companies; clearing corporations; and certain other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC (including Euroclear or Clearstream).

So long as DTC or its nominee is the registered owner of a Global Note, DTC or its nominee will be considered the sole owner or Holder of the New Notes represented by that Global Note for all purposes under the New Notes Indenture. Except as provided below, owners of beneficial interests in a Global Note:

- will not be entitled to have New Notes represented by the Global Note registered in their names;
- will not receive or be entitled to receive physical, certificated New Notes; and
- will not be considered the registered owners or Holders of the New Notes under the New Notes Indenture, for any purpose, including with respect to the giving of any direction, instruction or approval to the New Notes Trustee under the New Notes Indenture.

As a result, each investor who owns a beneficial interest in a Global Note must rely on the procedures of DTC to exercise any rights of a Holder of New Notes under the New Notes Indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium, if any, and interest with respect to the New Notes represented by a Global Note will be made by the New Notes Trustee to DTC's nominee as the registered holder of the Global Note. Neither we nor the New Notes Trustee (or any of our respective agents) will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary practices and will be the responsibility of those participants or indirect participants and not of DTC, its nominee or us.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a Global Note held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depositary to take action to effect final settlement by delivering or receiving interests in the relevant Global Notes in DTC, and making or receiving payment. Euroclear or Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a Global Note from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a Global Note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the Global Notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the New Notes Trustee (or any of our respective agents) will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants of indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Notes

Beneficial interests in the Global Notes may not be exchanged for New Notes in physical, certificated form unless:

- DTC notifies the Issuer and the New Notes Trustee that it is unwilling or unable to continue as depositary for such Global Notes or DTC ceases to be a clearing agency registered under the Exchange Act, at a time when DTC is required to be so registered in order to act as depositary, and in each case a successor depositary is not appointed by the Issuer within 90 days of such notice;

- the Issuer in its sole discretion notifies the New Notes Trustee in writing that certificated New Notes will be delivered in exchange for such Global Notes; or

- certain other events provided in the New Notes Indenture, should occur, including the occurrence and continuance of an event of default with respect to the New Notes, and a request for such exchange has been made by the Holder.

In all cases, certificated New Notes delivered in exchange for any Global Note will be registered in the names, and issued in any approved denominations, requested by the depository and will bear a legend indicating the transfer restrictions of that particular Global Note.

TAXATION

The following discussion summarizes certain material United States federal, United Kingdom and Colombian income tax considerations that may be relevant to you if you participate in the Offer and Solicitation and invest in the New Notes. This summary is based on laws, regulations, rulings and decisions now in effect in the United States, the United Kingdom and Colombia, which, in each case, may change. Any change could apply retroactively and could affect the continued validity of this summary and result in tax consequences materially different than described herein.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of participating in the Offer and Solicitation and holding the New Notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and any other applicable tax laws.

Certain U.S. Federal Income Tax Considerations

The following discussion summarizes certain material U.S. federal income tax consequences to U.S. Holders (as defined below) of the Offer and Solicitation and the ownership and disposition of New Notes acquired pursuant to the Exchange Offer. This summary is based upon the provisions of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), proposed, temporary and final Treasury regulations promulgated under the Code, and administrative rulings and judicial decisions, in each case as of the date hereof. These authorities are subject to differing interpretations and may be changed, perhaps retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not obtained, nor do we intend to obtain, a ruling from the U.S. Internal Revenue Service (the "IRS") with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary assumes that the Existing Notes are, and the New Notes acquired will be, held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This summary does not address other U.S. federal tax laws (such as Medicare contribution tax laws and estate and gift tax laws) or the tax considerations arising under the laws of any state, local or non-U.S. jurisdiction. In addition, this summary does not address all tax considerations that may be applicable to a particular holder's circumstances or to holders that may be subject to special tax rules, including, without limitation, banks or other financial institutions, insurance companies, regulated investment companies, real estate investment trusts, tax-exempt organizations, dealers or brokers in securities or currencies, traders in securities that elect to use a mark-to-market method of tax accounting for their securities holdings, holders liable for alternative minimum tax, holders required to accelerate the recognition of any item of gross income with respect to the Existing Notes or New Notes as a result of such income being recognized on an applicable financial statement, U.S. Holders whose "functional currency" is not the U.S. dollar, partnerships or other pass-through entities for U.S. federal income tax purposes (or investors therein), or holders holding Existing Notes or New Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle. This summary further assumes that the Exchange Consideration received by any U.S. Holder pursuant to the Exchange Offer is as set forth on the front cover.

For purposes of this discussion, a U.S. Holder is a beneficial owner of Existing Notes or New Notes that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States, (ii) a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organized in, or under the laws of, the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust, if its administration is subject to the primary supervision of a U.S. court and one or more United States persons have the authority to control all substantial decisions of the trust, or if it has made a valid election under applicable Treasury regulations to be treated as a United States person.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Existing Notes or New Notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership holding Existing Notes or New Notes, you should consult your tax advisors regarding the tax consequences of the Exchange Offer and the Consent Solicitation and the ownership and disposition of the New Notes.

This summary is for general information purposes only, and is not intended to be, and should not be construed to be, legal or tax advice to any particular holder. You are urged to consult your own tax advisors with regard to the application of the U.S. federal income tax laws, as well as the application of non-income tax laws and the laws of any state, local or non-U.S. taxing jurisdiction, to your particular situation.

Tax Consequences of the Exchange of Existing Notes for New Notes

Under general principles of U.S. federal income tax law, the modification of a debt instrument can give rise to an exchange under Section 1001 of the Code upon which gain or loss is realized if the modified debt instrument differs materially either in kind or in extent from the original debt instrument. In this regard, governing Treasury regulations (the "Modification Regulations") provide that, as a general rule, a taxable exchange occurs when, based on all the facts and circumstances and taking into account all changes in the terms of the debt instrument collectively (other than certain specified changes), the legal rights or obligations that are altered, and the degree to which they are altered, are economically significant (a "significant modification"). The Modification Regulations can apply to any modification of a debt instrument, regardless of the form of the modification, including an exchange of a new debt instrument for an existing debt instrument. Therefore, the Modification Regulations are relevant in determining the consequences of an exchange of Existing Notes for New Notes pursuant to the Exchange Offer.

Whether or not the exchange constitutes a significant modification pursuant to the Modification Regulations will depend on whether you are (i) a holder of Existing Notes that validly tenders its Existing Notes on or prior to the Early Participation Date ("an Early Tendering Holder") and that receives the Early Exchange Consideration, including US$10.00 in cash per US$1,000 principal amount of the Existing Notes tendered (the "Cash Consideration") or (ii) a holder of Existing Notes that validly tenders its Existing Notes after such date (a "Late Tendering Holder") and that receives the Late Exchange Consideration.

Under the Modification Regulations, a change in yield of a debt instrument is a significant modification (such change, a "Significant Change in Yield") if the yield of the modified debt instrument varies from the yield on the unmodified instrument (determined as of the date of the modification) by more than the greater of (i) 25 basis points and (ii) 5 percent of the annual yield of the unmodified instrument. For this purpose, the yield of the modified debt instrument is generally the annual yield of a debt instrument with (i) an issue price equal to the adjusted issue price of the unmodified debt instrument on the date of the modification (increased by accrued but unpaid interest and decreased by payments made to the holder as consideration for the modification) and (ii) payments equal to the payments on the modified debt instrument from the date of the modification.

Under this rule, an exchange of an Existing Note for a New Note by an Early Tendering Holder (an "Early Tender Exchange") should not result in a Significant Change in Yield because the applicable principal amount and coupon yield will not change and the Cash Consideration to be received is not expected to be material enough to result in a Significant Change in Yield.

Furthermore, under the Modification Regulations, a modification of a debt instrument that adds, deletes or alters customary accounting or financial covenants is not a significant modification and, accordingly, does not result in a deemed exchange of the debt instrument for U.S. federal income tax purposes. Therefore, although the matter is not free from doubt, we intend to take the position that the adoption of the Proposed Majority Amendments will not result in a significant modification of Existing Notes that are exchanged pursuant to the Exchange Offer. In addition, under the Modification Regulations, a modification of a debt instrument that releases, substitutes, adds or otherwise alters the collateral for, a guarantee on, or other form of credit enhancement for a recourse debt instrument is a significant modification if the modification results in a change in payment expectations. Therefore, we intend to take the position that the adoption of the Proposed 90% Amendments will not result in a change in payment expectations and thus will not result in a significant modification of Existing Notes that are exchanged pursuant to the Exchange Offer.

Accordingly, an Early Tender Exchange is not expected to result in a significant modification of an Existing Note, and the remainder of this discussion assumes that such treatment is correct. Therefore, an Early Tendering Holder should not recognize any gain or loss in an Early Tender Exchange (other than any amounts received in respect of accrued interest and possibly the Cash Consideration), and should have the same adjusted tax basis, holding period and accrued market discount (if any) in a New Note received in an Early Tender Exchange as such U.S. Holder had

in the Existing Note exchanged therefor. Furthermore, assuming the Early Tender Exchange does not result in a significant modification of an Existing Note, the issue price of such Existing Notes for U.S. federal income tax purposes will remain unchanged.

The U.S. federal income tax treatment of the receipt of the Cash Consideration is unclear, and we have not requested a ruling from the IRS with respect thereto. While not free from doubt, we intend to treat the Cash Consideration received by an Early Tendering Holder as part of the consideration received in an exchange of Existing Notes for New Notes and not as a separate fee. Other alternative treatments are also possible, and our position is not binding on the IRS. U.S. Holders should consult their tax advisors regarding the U.S. federal income tax treatment of the Cash Consideration. The remainder of this discussion assumes that our treatment of the Cash Consideration is correct.

In contrast, an exchange of an Existing Note for a New Note by a Late Tendering Holder (a "Late Tender Exchange") should result in a significant modification (due to a Significant Change in Yield resulting from receiving the Late Exchange Consideration as set forth on the front cover) and, unless treated as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code (as described below under "—Treatment as a Recapitalization"), should be treated as a taxable exchange in which the Late Tendering Holder should recognize any gain or, subject to the application of the wash sale rules of Section 1091 of the Code, any loss.

Moreover, the issue price of the New Notes received in a Late Tender Exchange may be based on the trading price of the Existing Notes or the New Notes, as discussed below. Therefore, the issue price of the New Notes received in a Late Tender Exchange may be different from the issue price of the New Notes received in the Early Tender Exchange. In this case, a New Note received in a Late Tender Exchange may not be fungible with any New Note of the same series issued in an Early Tender Exchange for U.S. federal income tax purposes. As a result, the market price of the entire series of the New Notes may be adversely affected and each tranche of New Notes may be issued with a separate CUSIP and thus have less liquidity. See "Risk Factors—Risks Related to Taxation—The New Notes received for Early Exchange Consideration may not be fungible with the New Notes received for Late Exchange Consideration for U.S. federal income tax purposes."

Unless specifically noted, the remainder of the discussion under the heading "Certain U.S. Federal Income Tax Considerations" applies only to Late Tendering Holders and the New Notes acquired by such Late Tendering Holders pursuant to the Exchange Offer.

Treatment as a Recapitalization. If the exchange of Existing Notes for New Notes and cash pursuant to the Exchange Offer is treated as a significant modification, a Late Tendering Holder will recognize gain or loss in full upon the exchange, unless the exchange qualifies as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code. An exchange of Existing Notes for New Notes and cash generally would qualify as a recapitalization if both the New Notes and the Existing Notes exchanged therefor constitute "securities" issued by the same issuer for U.S. federal income tax purposes. The determination of whether a debt instrument is treated as a security depends upon an evaluation of the term and nature of the debt instrument and on all the facts and circumstances. The term of a debt instrument is usually regarded as one of the most significant factors for the determination of whether it is a security for these purposes. Generally, corporate debt instruments with maturities at issuance of less than five years when issued are not considered securities, while corporate debt instruments with maturities at issuance of ten years or more are considered securities. For purposes of this determination, the IRS has published a ruling that, where an old debt instrument is exchanged for a new debt instrument in certain circumstances, the term of the new debt instrument, for purposes of determining whether the new debt instrument should be considered a security, should be measured from the date of issuance of the old debt instrument. However, this ruling was issued in the context of a merger transaction and the application of this ruling to the exchange of Existing Notes for New Notes is uncertain. U.S. Holders should consult their tax advisors regarding the U.S. federal income tax characterization of the exchange of Existing Notes for New Notes and cash pursuant to the Exchange Offers.

If the Late Tender Exchange is treated as a recapitalization, a Late Tendering Holder will not recognize loss on the exchange, but will generally recognize gain, if any, equal to the lesser of (i) the amount of "boot" received in the exchange, which is generally the amount cash received in the exchange (other than any cash attributable to accrued but unpaid interest on the Existing Notes) and (ii) the gain realized, which is equal to the excess of the amount realized over the U.S. Holder's adjusted tax basis in the Existing Notes surrendered. The amount realized is the sum of

(i) the "issue price" of the New Notes received (as described below under "—Issue Price of the New Notes") and (ii) the cash received (other than any cash attributable to accrued but unpaid interest on the Existing Notes, which will generally be taxable as described below under "—Accrued Interest"). In such case your initial tax basis in the New Notes will equal the adjusted tax basis of the Existing Notes surrendered in exchange therefor, increased by the amount of any gain you recognize on the exchange, and decreased by the amount of boot you receive. Subject to the discussions under "—Market Discount" and "—Cash Consideration" below, any gain recognized in the exchange would be capital gain and would be long-term capital gain if you held the Existing Notes for more than one year prior to the date of the exchange. Long-term capital gain of non-corporate U.S. Holders (including individuals) may be taxed at preferential rates. The deductibility of capital losses is subject to limitations. Any capital gain recognized on the exchange generally will constitute United States source income for purposes of computing your foreign tax credit limitation. Your holding period for such New Notes will include the period during which you held the Existing Notes exchanged therefor.

Treatment as a Taxable Exchange. Unless such Late Tender Exchange constitutes a recapitalization (as discussed above under "—Treatment as a Recapitalization"), a Late Tendering Holder will recognize gain or loss in full upon the exchange of its Existing Notes for New Notes pursuant to the Exchange Offer. Such gain or loss will be an amount equal to the difference between (i) the "issue price" of the New Notes received (as described below under "—Issue Price of the New Notes") and (ii) your adjusted tax basis in the Existing Notes surrendered. Your adjusted tax basis in the Existing Notes will equal the amount paid therefor, increased by market discount, if any, previously included in income and reduced by any bond premium previously amortized. Subject to the discussions under "—Market Discount" and "—Cash Consideration" below, any gain or loss recognized in the exchange would be capital gain or loss and would be long-term capital gain or loss if you held the Existing Notes for more than one year prior to the date of the exchange. Your initial tax basis in the New Notes will equal the issue price of the New Notes, and you will begin a new holding period for the New Notes.

If you hold Existing Notes with differing tax bases and/or holding periods, the preceding rules must be applied separately to each identifiable block of Existing Notes.

Any capital gain recognized on the exchange generally will constitute United States source income for purposes of computing your foreign tax credit limitation. The rules governing foreign tax credits are complex and subject to restrictions and limitations. You are urged to consult your tax advisors regarding the foreign tax credit implications if any foreign taxes are imposed in connection with the exchange.

Issue Price of the New Notes. The determination of the issue price of the New Notes will depend on whether the New Notes and/or the Existing Notes exchanged therefor are "publicly traded" for U.S. federal income tax purposes. For these purposes, a series of notes is not treated as publicly traded if at the time the determination is made, the outstanding stated principal amount of the notes in the "issue" (as determined for U.S. federal income tax purposes) does not exceed $100 million. If the portion of the New Notes received in the Late Tender Exchange has an aggregate principal amount of $100 million or more and the New Notes are otherwise publicly traded for U.S. federal income tax purposes, the New Notes received in the Late Tender Exchange generally will have an issue price equal to their fair market value on the Settlement Date. If the New Notes received in the Late Tender Exchange are not publicly traded, but the Existing Notes are publicly traded, the New Notes received in the Late Tender Exchange generally will have an issue price determined by reference to the fair market value of the Existing Notes exchanged therefor on the Settlement Date. If neither the New Notes received in the Late Tender Exchange nor the Existing Notes are publicly traded, the issue price of the New Notes received in the Late Tender Exchange will be their principal amount. The Company expects, and this discussion assumes, that the Existing Notes are and will, as of the Settlement Date, be publicly traded for U.S. federal income tax purposes, and therefore we believe that the New Notes generally will have an issue price equal to either the fair market value of the Existing Notes exchanged therefor, or the fair market value of the New Notes, on the Settlement Date.

We will provide you with information regarding the determination of the issue price, within 90 days of the Settlement Date, on our website at avianca.com. Our issue price determination is binding upon you unless you explicitly disclose to the IRS, on your timely filed U.S. federal income tax return for the taxable year that includes the date of the exchange, that your determination is different, the reasons for your different determination, and how you determined the issue price.

Market Discount. You will be considered to have acquired an Existing Note with "market discount" if the stated principal amount of such Existing Note exceeded your initial tax basis for such Existing Note by more than a *de minimis* amount. If your Existing Notes were acquired with market discount, any gain recognized on the exchange of Existing Notes for New Notes will be treated as ordinary income (and will not receive capital gain treatment) to the extent of the market discount accrued during your period of ownership, unless you previously had elected to include market discount in income as it accrued for U.S. federal income tax purposes. In addition, in the case of an exchange treated as a recapitalization (as discussed above under "—Treatment as a Recapitalization") any accrued market discount in respect of an Existing Note not recognized in the Early Tender Exchange should carry over to the New Note (to the extent exceeding OID (as defined below), if any, on the New Note). U.S. Holders who acquired their Existing Notes other than at original issuance should consult their own tax advisors regarding the possible application of the market discount rules of the Code to a tender of Existing Notes pursuant to the Exchange Offer.

Accrued Interest. Any amount received pursuant to the Exchange Offer (whether by Early Tendering Holders or by Late Tendering Holders) that is attributable to accrued and unpaid interest on the Existing Notes will generally be includable in your gross income as ordinary interest income if such accrued interest had not been included previously in your gross income for U.S. federal income tax purposes.

Tax Consequences of the Ownership and Disposition of the New Notes

Characterization of the New Notes. In certain circumstances, we may be obligated to pay amounts in excess of stated interest or principal on the New Notes. These potential contingencies may implicate the contingent payment debt regulations. However, we believe and intend to take the position that the foregoing contingencies should not cause the New Notes to be subject to the contingent payment debt instrument rules. Our position is binding on you unless you disclose that you are taking a contrary position in the manner required by applicable U.S. Treasury regulations. However, our position is not binding on the IRS. If the IRS were to successfully challenge this position, the timing, character and amount of income with respect to the New Notes may be materially and adversely different than the treatment described below. The remainder of this discussion assumes that the New Notes will not be treated as contingent payment debt instruments.

You are urged to consult your own tax advisors regarding the potential application to the New Notes of the contingent payment debt instrument rules and the consequences thereof.

Stated Interest and OID. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate. Any qualified stated interest (including any Colombian, U.K. or other foreign tax withheld and any Additional Amounts paid in respect thereof) will generally be taxable to you as ordinary income at the time it is accrued or received (actually or constructively) in accordance with your regular method of accounting for U.S. federal income tax purposes.

Subject to certain conditions and limitations (including a minimum holding period requirement) and the Foreign Tax Credit Regulations (as defined below), any Colombian, U.K. or other foreign withholding taxes on interest may be treated as foreign taxes eligible for credit against your United States federal income tax liability. For purposes of calculating the foreign tax credit, interest income will be treated as foreign source income and will generally constitute passive category income. However, United States Treasury regulations addressing foreign tax credits (the "Foreign Tax Credit Regulations") impose additional requirements for foreign taxes to be eligible for a foreign tax credit if the relevant taxpayer does not elect to apply the benefits of an applicable income tax treaty, and there can be no assurance that those requirements will be satisfied. The Department of the Treasury and the IRS are considering proposing amendments to the Foreign Tax Credit Regulations. In addition, notices from the IRS provide temporary relief by allowing taxpayers that comply with applicable requirements to apply many aspects of the foreign tax credit regulations as they previously existed (before the release of the Foreign Tax Credit Regulations) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Instead of claiming a foreign tax credit, you may be able to deduct any foreign withholding taxes on interest in computing your taxable income, subject to generally applicable limitations under United States federal income tax law (including that a U.S. holder is not eligible for a deduction for otherwise creditable foreign income taxes paid or accrued in a taxable year if such U.S. holder claims a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year). The rules governing the foreign tax

credit and deductions for foreign taxes are complex. You are urged to consult your tax advisors regarding the Foreign Tax Credit Regulations (and the related temporary relief in the IRS notices) and the availability of the foreign tax credit or a deduction under your particular circumstances.

The New Notes received in the Late Tender Exchange are expected to be treated as issued with original issue discount ("OID") for U.S. federal income tax purposes in an amount equal to the difference between their issue price (as discussed above under "—Tax Consequences of the Exchange of Existing Notes for New Notes—Issue Price of the New Notes") and their "stated redemption price at maturity." The "stated redemption price at maturity" is the sum of all payments to be made on the New Notes, other than payments of qualified stated interest.

Subject to the discussions below under "—Amortizable Bond Premium" and "—Acquisition Premium," if you are a U.S. Holder of New Notes issued in the Late Tender Exchange, you must generally include OID in your gross income (as ordinary income) as it accrues on a constant yield to maturity basis over the term of a New Note without regard to your regular method of accounting for U.S. federal income tax purposes and regardless of whether corresponding cash payments are received concurrently. The amount of OID that you must include in income will generally equal the sum of the "daily portions" of OID with respect to such New Note for each day during the taxable year or portion of the taxable year in which you held such New Note ("accrued OID"). The daily portion is determined by allocating to each day in each "accrual period" a pro rata portion of the OID allocable to that accrual period. The "accrual period" for a New Note may be of any length and may vary in length over the term of the New Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess of (i) the product of the New Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (ii) any qualified stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price of the New Note at the beginning of the final accrual period. The adjusted issue price of a New Note at the beginning of any accrual period is equal to its issue price, increased by the accrued OID for each prior accrual period. The yield to maturity of a New Note is the discount rate that causes the present value of all payments on the New Note as of its original date to equal the issue price of the New Note. Under these rules, you generally will have to include in income increasingly greater amounts of OID in successive accrual periods. Special rules will apply for calculating OID for an initial short accrual period.

Each payment made in cash under a New Note, other than a payment of qualified stated interest, will generally be treated first as a payment of any accrued OID that has not been allocated to prior payments and second as a payment of principal. You generally will not be required to include separately in income cash payments received on the New Notes to the extent such payments constitute payments of previously accrued OID or payments of principal.

You may elect to treat all interest on a New Note as OID and calculate the amount includible in gross income under the constant yield method described above. The election must be made for the taxable year in which you acquire the New Note, and may not be revoked without the consent of the IRS. You should consult your own tax advisors about this election.

The rules regarding OID are complex and the rules described above may not apply in all cases. Accordingly, you should consult your own tax advisors regarding the application of these rules.

Amortizable Bond Premium. If your initial tax basis in a New Note is greater than its stated redemption price at maturity, you will be considered to have acquired the New Note with "amortizable bond premium" equal to such difference. If a New Note is issued with amortizable bond premium, you will not be required to include any OID in income with respect to the New Note. You generally may elect to amortize the premium over the remaining term of the New Note on a constant yield method as an offset to qualified stated interest when includible in income under your regular accounting method. If you do not elect to amortize the premium, that premium will decrease the gain or increase the loss you would otherwise recognize on disposition of the New Note. An election to amortize premium on a constant yield method will also apply to all other taxable debt instruments held or subsequently acquired by you on or after the first day of the first taxable year for which the election is made. Such an election may not be revoked without the consent of the IRS. If you elect to amortize the premium, you must reduce your tax basis in the New Note

by the amount of the premium amortized in any year. The amount that is amortizable during any accrual period in which we have the right to redeem the New Notes at a premium may be subject to limitations. You should consult your tax advisor about this election.

Acquisition Premium. If your initial tax basis in a New Note issued with OID is less than or equal to the New Note's principal amount and greater than the New Note's issue price, the New Note will be treated as acquired with "acquisition premium." In that case, each daily portion of OID that would otherwise be includible in income with respect to such New Note would generally be reduced by an amount equal to the product of (i) the amount that would otherwise be the daily portion and (ii) a fraction, the numerator of which is the excess of your tax basis in the New Note (at the time of the exchange of an Existing Note for the New Note) over the New Note's issue price (determined as described above) and the denominator of which is the excess of the sum of all amounts payable on the New Note after the exchange (other than stated interest) over its issue price.

Sale, Exchange, Retirement or Other Taxable Disposition of the New Notes. You generally will recognize taxable gain or loss upon a sale, exchange, retirement or other taxable disposition of a New Note in an amount equal to the difference between (i) the amount of cash and the fair market value of any property received (less an amount equal to any accrued but unpaid qualified stated interest, which will be taxed in the manner described above under "—Stated Interest and OID") and (ii) your adjusted tax basis in the New Note. Your adjusted tax basis in a New Note will be your initial tax basis in the New Note immediately following the Exchange Offer, increased by any OID previously included in income, and reduced by any cash payments previously received on the New Note other than qualified stated interest and any amortized bond premium.

Any gain or loss on the sale, exchange, retirement or other taxable disposition of a New Note will generally be capital gain or loss and will generally be long-term capital gain or loss if the New Note has a holding period of more than one year at the time of the sale, exchange, retirement or other taxable disposition. Long-term capital gain of non-corporate U.S. Holders (including individuals) may be taxed at preferential rates. The deductibility of capital losses is subject to limitations.

Any gain or loss you recognize will generally be treated as United States source gain or loss for purposes of computing your foreign tax credit limitation. The rules governing foreign tax credits are complex and subject to restrictions and limitations. You are urged to consult your tax advisors regarding the availability of the foreign tax credit implications of any foreign taxes imposed upon a disposition of the New Notes.

Backup Withholding and Information Reporting

Information reporting requirements will generally apply to interest paid to you with respect to the Existing Notes or the New Notes, any OID accruals on the New Notes, and proceeds from a sale or other disposition (including a retirement or redemption) of the New Notes, unless in each case you establish that you are an exempt recipient such as a corporation.

Backup withholding may apply to any payments described in the preceding paragraph if you fail to provide a taxpayer identification number and a certification that you are not subject to backup withholding. Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your U.S. federal income tax liability, *provided* that the required information is timely furnished to the IRS.

Non-Exchanging Holders

If you are a holder of Existing Notes that does not participate in the Exchange Offer, you will not recognize any gain or loss for U.S. federal income tax purposes unless the Proposed Amendments are adopted and such adoption constitutes a significant modification pursuant to the Modification Regulations. Under the Modification Regulations, a modification of a debt instrument that adds, deletes or alters customary accounting or financial covenants is not a significant modification and, accordingly, does not result in a deemed exchange of the debt instrument for U.S. federal income tax purposes. Therefore, although the matter is not free from doubt, we intend to take the position that the adoption of the Proposed Majority Amendments will not result in a deemed exchange of Existing Notes that are not

exchanged pursuant to the Exchange Offer. In addition, under the Modification Regulations, a modification of a debt instrument that releases, substitutes, adds or otherwise alters the collateral for, a guarantee on, or other form of credit enhancement for a recourse debt instrument is a significant modification if the modification results in a change in payment expectations. Therefore, although the matter is not free from doubt, we intend to take the position that the adoption of the Proposed 90% Amendments will not result in a change in payment expectations and thus will not result in a deemed exchange of Existing Notes that are not exchanged pursuant to the Exchange Offer.

Assuming such treatment, you will not recognize any gain or loss for U.S. federal income tax purposes as a result of the adoption of the Proposed Amendments or the completion of the Exchange Offer, and your adjusted tax basis, holding period, bond premium (if any) and accrued market discount (if any) for your Existing Notes will be similarly unaffected by the adoption of the Proposed Amendments or the completion of the Exchange Offer. There can be no assurance, however, that the IRS will not take a different position or that any such position, if taken, would not be sustained by a court. If the IRS successfully asserted that the adoption of the Proposed Amendments resulted in a deemed exchange of your Existing Notes, the tax consequences of such adoption may differ materially from the tax consequences described above, and could include the recognition of taxable gain or loss on the deemed exchange of the Existing Notes. In addition, any "new" Existing Notes that are treated as received in the deemed exchange may be issued with OID for U.S. federal income tax purposes. Non-exchanging holders are urged to consult their tax advisors regarding the U.S. federal income tax consequences of the adoption of the Proposed Amendments.

Certain United Kingdom Tax Considerations

General

The following is a general summary of certain UK tax consequences relating to the New Notes and the exchange of Existing Notes for New Notes and is based on current UK tax law and HM Revenue & Customs ("HMRC") published practice (which may not be binding on HMRC), both of which may be subject to change, possibly with retrospective effect. It does not purport to be a complete analysis of all UK tax considerations relating to the New Notes or the exchange of Existing Notes for New Notes. It does not address the consequences of any substitution of the Issuer or further issues of securities that will form a single series with any of the series of New Notes (notwithstanding that such substitution or further issue may be permitted by the terms and conditions of the New Notes). The summary below relates only to persons who are the absolute beneficial owners of their Existing Notes and New Notes and any interest payable on their New Notes and who hold their New Notes as a capital investment. Certain classes of persons (such as brokers or dealers in securities, certain professional investors and persons connected with the Issuer) may be subject to special rules and the summary below does not apply to such holders of the Existing Notes or New Notes. The UK tax treatment of prospective holders of the New Notes ("New Noteholders") depends on their individual circumstances and may be subject to change in the future. This summary does not purport to constitute legal or tax advice. If you are subject to tax in any jurisdiction other than the UK or if you are in any doubt as to your tax position, you should consult an appropriate professional advisor.

Interest on the New Notes

Withholding Tax

Interest on the New Notes may be paid without withholding or deduction for or on account of UK income tax provided the New Notes are and remain listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007 (the "ITA").

Interest on the New Notes may also be paid without withholding or deduction for or on account of UK income tax where the Issuer reasonably believes at the time the payment is made that (i) the person beneficially entitled to the interest is a UK resident company, (ii) the person beneficially entitled to the interest is a non-UK resident company that carries on a trade in the UK through a permanent establishment and the payment is one that the non-UK resident company is required to bring into account when calculating its profits subject to UK corporation tax or (iii) the person to whom the payment is made is one of the further classes of bodies or persons, and meets any relevant conditions, set out in Sections 935-937 of the ITA, provided that, in each case, HMRC has not given a direction that the payment may not be made without that withholding or deduction.

In other cases, an amount must generally be withheld from payments of interest on the New Notes for or on account of UK income tax at the basic rate (currently 20%) unless an applicable double tax treaty provides for a full exemption from (or a lower rate of) UK tax in relation to a New Noteholder and HMRC has issued a direction to the Issuer to pay interest to that New Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double taxation treaty).

If an amount is withheld or deducted for or on account of UK income tax from a payment of interest on the New Notes (e.g. if the New Notes are not or cease to be listed on a "recognised stock exchange" and no other relief or exemption is available), New Noteholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Any premium payable on redemption of the New Notes may be treated as a payment of interest for UK tax purposes and may accordingly be subject to the UK withholding tax treatment described above.

The New Notes may be issued at an issue price of less than 100% of their principal amount. Any discount element on any such New Notes will not generally be subject to any withholding or deduction for or on account, of UK income tax.

Direct Assessment

The interest and premium (if any) on the New Notes is expected to have a UK source for tax purposes and accordingly may be chargeable to UK tax by direct assessment (including self-assessment) even where paid without withholding or deduction. However, where the interest and premium (if any) is paid without withholding or deduction for or on account of UK tax, the interest will not be assessed to UK tax in the hands of New Noteholders (other than certain trustees) who are not resident for tax purposes in the UK, except where (i) the New Noteholder carries on a trade, profession or vocation in the UK through a branch or agency in the UK or, in the case of a corporate holder, carries on a trade through a permanent establishment in the UK, and (ii) the interest and premium (if any) arises through or from, or the New Notes are used or held by, that branch or agency or is received in connection with, or the New Notes are attributable to, that permanent establishment (as applicable), in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the UK branch or agency, or permanent establishment.

New Noteholders should note that the provisions relating to additional amounts would not apply if HMRC sought to assess directly the person entitled to the relevant interest to UK tax. However, exemption from, or reduction of, such UK tax liability might be available under an applicable double taxation treaty.

Payments by the UK Guarantors

The UK withholding tax treatment of payments by the Guarantors under the terms of the Guarantees in respect of interest on the New Notes (or other amounts due under the New Notes other than the repayment of amounts subscribed for the New Notes) is uncertain. In particular, such payments by the Guarantors may not be eligible for the exemptions from UK withholding tax described above in relation to payments of interest. Accordingly, if the Guarantors make any such payments and they have a UK source, these may be subject to UK withholding tax at the basic rate (currently 20%).

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT is payable on the issuance of the New Notes. Further, no UK stamp duty or SDRT is payable on a transfer of, or agreement to transfer, the New Notes assuming that (i) the interest on the New Notes does not exceed a reasonable commercial return on the nominal amount of the capital of the New Notes and (ii) any right on repayment of the New Notes to an amount which exceeds the nominal amount of the New Notes is reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the London Stock Exchange.

Provision of Information

HMRC have powers to obtain information and documents relating to the New Notes, including in relation to issues of and other transactions in the New Notes, interest, payments treated as interest and other payments derived from the New Notes. This may include the value of the New Notes, details of the beneficial owners of the New Notes, of the person for whom the New Notes are held and of the persons to whom payments derived from the New Notes are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the New Notes, persons who make, receive or are entitled to receive payments derived from the New Notes and persons by or through whom interest and payments treated as interest are paid or credited.

Information obtained by HMRC may, in certain circumstances, be exchanged by HMRC with the tax authorities of other jurisdictions.

Taxation on Exchange

Withholding Tax

Payments of Accrued Interest on the Existing Notes may be made without withholding or deduction for or on account of UK income tax, provided that the Existing Notes remain listed on a "recognised stock exchange" within the meaning of Section 1005 of the ITA. TISE is currently a "recognised stock exchange" for these purposes.

Payments of Accrued Interest on the Existing Notes should constitute UK source income for UK tax purposes and accordingly may be chargeable to UK income tax by direct assessment irrespective of the residence of the relevant holder. However, payments of Accrued Interest will not generally be assessed to UK income tax in the hands of Existing Noteholders (other than certain trustees) who are not resident in the UK for UK tax purposes, except where an Existing Noteholder carries on a trade, profession or vocation in the UK through a branch or agency in the UK in connection with which the payments are received or to which the relevant Existing Notes are attributable (or in the case of an Existing Noteholder within the charge to UK corporation tax, if such Existing Noteholder carries on a trade in the UK through a permanent establishment in the UK in connection with which the payments are received or to which the relevant Existing Notes are attributable), in which case (subject to exemptions for payments received by certain categories of agent) tax may be levied on the UK branch or agency (or permanent establishment, as the case may be).

Payments of Early Exchange Consideration made pursuant to the Offer and Solicitation will generally be made without withholding or deduction for or on account of UK income tax.

Profit on *Exchange*

The exchange of Existing Notes for New Notes and any Early Exchange Consideration pursuant to the Offer and Solicitation will result in a sale (or other disposal) of the Existing Notes.

Existing Noteholders within the charge to UK corporation tax (including non-resident Existing Noteholders whose Existing Notes are used, held or acquired for the purposes of a trade carried on in the UK through a permanent establishment) will generally be subject to tax as income on all profits and gains from the Existing Notes, including in respect of the exchange of Existing Notes and receipt of any Early Exchange Consideration, in accordance with their statutory accounting treatment.

Provided the Existing Notes are not "Deeply Discounted Securities" (see below), disposals of Existing Notes, pursuant to the Offer and Solicitation, by Existing Noteholders who are either individuals or trustees and are resident for tax purposes in the UK or who carry on a trade, profession or vocation in the UK through a branch or agency to which the Existing Notes are attributable, or, in the case of individuals, who cease to be resident in the UK for a period of five years or less, may give rise to chargeable gains or allowable losses for the purposes of the taxation of capital gains. In calculating any gain or loss on disposal of the Existing Notes, sterling values will be compared at acquisition and disposal. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than, or the same as, the foreign currency amount paid for the Existing Notes.

If, however, the Existing Notes were issued at a discount, they may constitute "Deeply Discounted Securities" within the meaning of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If the Existing Notes constitute "Deeply Discounted Securities", any profit made by an individual or trustee on the exchange of Existing Notes for New Notes may be taxed as income rather than as a chargeable gain.

Existing Noteholders that are subject to tax in any jurisdiction other than the UK are urged to consult their own professional advisors regarding the possible tax consequences under the laws of the jurisdictions that apply to them or to the exchange of their Existing Notes and the receipt pursuant to the Offer and Solicitation of New Notes and any Early Exchange Consideration.

Stamp Duty and SDRT

No UK stamp duty or SDRT will be payable by Existing Noteholders on the sale of the Existing Notes pursuant to the Offer and Solicitation.

Certain Colombian Tax Considerations

This summary is based on the tax laws of Colombia in effect on the date of this Exchange Offer and Consent Solicitation Memorandum, as well as regulations, rulings, and decisions in Colombia available on or before such date and now in effect. New tax laws and regulations, and uncertainties in the interpretation with respect to existing and future tax policies could affect the validity of this summary.

Prospective purchasers of the New Notes should consult an independent tax advisor as to Colombian tax consequences of the purchase, ownership, and disposition of the New Notes, including, in particular, the application of the tax considerations discussed below to their particular situations, as well as the application of state, local, non-Colombian or other tax laws.

As a general rule, Colombian entities and individuals considered to be tax resident in Colombia are subject to Colombian income tax on all sources of income, whether foreign or Colombian (worldwide source income). Non-Colombian entities and individuals without tax residence in Colombia are subject to income tax in Colombia solely on their Colombian-sourced income, which generally is derived from (i) sale of assets located in Colombia at the time of the sale; (ii) operation or use of tangible and intangible assets in Colombia; (iii) interest income from receivables owned in Colombia or economically linked to Colombia; and (iv) rendering of services within the Colombian territory. Double taxation treaties executed by Colombia, if applicable, provide for special rules regarding income tax.

The purchase, ownership and disposition of the New Notes should not have any tax effects for Colombian tax purposes as long as the New Notes are deemed to be owned outside Colombia (issued by a foreign entity) and the noteholder is not a tax resident or a Colombian legal entity. Moreover, payments by the Colombian Guarantors are not subject to withholding tax.

For purposes of Colombian taxation, an entity is deemed resident in Colombia if it meets any of the following criteria: (i) it has had its effective place of management in Colombia during the corresponding calendar year, (ii) it has its principal domicile in Colombia, or (iii) it is incorporated under Colombian law.

Permanent establishments in Colombia are considered as Colombian taxpayers in connection with foreign and Colombian income and taxable gains attributable to such permanent establishment, whether such attributed income is Colombian sourced or not. Colombian tax law defines a permanent establishment as a foreign entity or individual performing activities in Colombia through: (i) a fixed place of business (e.g., branches, factories, offices), or (ii) a Colombian dependent agent entitled to execute agreements on behalf of the foreign entity or individual. A foreign entity or individual will not be deemed to have a permanent establishment in Colombia solely by virtue of the fact it acts through a broker or any other independent agent. Furthermore, the mere fact of purchasing, receiving interest payments and selling the New Notes does not *per se* create a permanent establishment in Colombia for a non-resident entity and a non-resident individual.

On the other hand, individuals are tax residents of Colombia if they meet any of the following criteria:

- Such person physically stays in Colombia for more than 183 calendar days (continuously or non-continuously) within any given 365-consecutive-day term. When a person's physical stay exceeds a taxable period, that person shall be regarded as resident as of the second taxable period.
- Such person is a member of the Colombian Government's foreign service or is related to a member of the Colombian Government foreign service in a foreign state in which that person is exempt from taxes during the time of service by virtue of any provisions of the Vienna Conventions on diplomatic relations.
- Such person is a Colombian national residing abroad, provided that, additionally, any of the following conditions are met:
    - such person has a spouse or permanent companion, or dependent children, who are tax residents of Colombia; or
    - 50% or more of such person's total income is sourced in Colombia; or
    - 50% or more of such person's assets are managed in Colombia; or
    - 50% or more of such person's assets are deemed to be located in Colombia; or
    - such person has been summoned by the Colombian Tax Office to provide proof of tax residency in another country (other than Colombia) and has failed to provide such evidence; or
    - such person is a resident of a country deemed a tax heaven under Colombian law.

In any of the six cases above, the Colombian national should not be considered as a resident for tax purposes if: (i) 50% or more of the individual's annual income is sourced in the jurisdiction where he or she is domiciled, or (ii) 50% or more of such individual's assets are located in the jurisdiction where he or she is domiciled.

Changes in tax laws and regulations, and interpretations thereof, can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting tax deductions and eliminating tax-based incentives and non-taxed income. In addition, tax authorities or courts may interpret tax regulations differently than we do, which could result in tax litigation and associated costs and penalties.

TRANSFER RESTRICTIONS

The New Notes and the New Notes Guarantees have not been registered, and will not be registered, under the Securities Act or any other applicable securities laws, and the New Notes (including the New Notes Guarantees) may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the New Notes (including the New Notes Guarantees) are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A; and

- outside the United States to non-U.S. persons (under Regulation S) in offshore transactions meeting the requirements of Rule 903 of Regulation S.

As otherwise used in this section, all references to the "New Notes," unless the context requires otherwise, includes the New Notes Guarantees.

Representations and Restrictions on Resale and Transfer

Each Eligible Holder that tenders Existing Notes in this Offer and Solicitation and each owner of any beneficial interest in the New Notes will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

1. It is acquiring the New Notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non-U.S. person that is outside the United States;

2. It acknowledges that the New Notes have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

3. It understands and agrees that New Notes initially offered in the United States to qualified institutional buyers will be represented by one or more global notes and that New Notes offered outside the United States in reliance on Regulation S will also be represented by one or more global notes;

4. It will not resell or otherwise transfer any of such New Notes except (a) to the Issuer or the New Notes Guarantor, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A, (c) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act and, with respect to the EEA and the U.K., to non-retail investors (each as defined below), (d) pursuant to another applicable exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act;

5. Within the EEA, it will not offer, resell, make available or otherwise transfer any of such New Notes to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation;

6. Within the U.K., it will not offer, resell, make available or otherwise transfer any of such New Notes to any retail investor in the U.K. For these purposes, a retail investor means a person who is one (or

more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

7. It agrees that it will give to each person to whom it transfers the New Notes notice of any restrictions on transfer of such New Notes;

8. In the case of an acquiror of New Notes under Regulation S, it acknowledges that until 40 days after the later of the commencement of the offering and the closing of the offering, any transfers of beneficial interests in the Regulation S global notes may be made only to a non-U.S. person (within the meaning of Regulation S under the Securities Act) outside the United States, or to a person who takes delivery in the form of an interest in the Rule 144A global note in compliance with the requirements described under "Form of New Notes, Clearing and Settlement;"

9. It acknowledges that until 40 days after the later of the commencement of the offering and the closing of the offering, any offer or sale of the New Notes within the United States by a broker-dealer (whether or not participating in the offering) not made in compliance with Rule 144A may violate the registration requirements of the Securities Act;

10. It acknowledges that prior to any proposed transfer of New Notes (other than pursuant to an effective registration statement or in respect of New Notes sold or transferred either pursuant to Rule 144A or Regulation S) the holder of such New Notes may be required to provide certifications relating to the manner of such transfer as provided in the New Notes Indenture governing the New Notes;

11. It acknowledges that the trustee, registrar or transfer agent for the New Notes will not be required to accept for registration of transfer any New Notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar or transfer agent that the restrictions set forth herein have been complied with;

12. It acknowledges that we, the Dealer Managers and Solicitation Agents and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the New Notes are no longer accurate, it will promptly notify us and the Dealer Managers and Solicitation Agents. If it is acquiring the New Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account; and

13. It understands that the New Notes will bear a legend substantially to the effect set forth below.

Legends

The following is the form of restrictive legend which will appear on the face of the Rule 144A New Notes, and which will be used to notify transferees of the foregoing restrictions on transfer:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES FOR THE BENEFIT OF THE ISSUER AND THE GUARANTORS THAT THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO THE ISSUER OR THE GUARANTORS, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A

UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO ANOTHER APPLICABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. AS A CONDITION TO THE REGISTRATION OF TRANSFER OF THIS NOTE PURSUANT TO CLAUSE (4) ABOVE, THE ISSUER, THE GUARANTORS OR THE TRUSTEE MAY REQUIRE DELIVERY OF ANY DOCUMENTATION OR OTHER EVIDENCE THAT IT, IN ITS SOLE DISCRETION, DEEMS NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH THE EXEMPTION REFERRED TO IN SUCH CLAUSE (4) AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES THAT IT SHALL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE.

THIS LEGEND MAY BE REMOVED SOLELY IN THE DISCRETION AND AT THE DIRECTION OF THE ISSUER OR THE GUARANTORS.

The following is the form of restrictive legend which will appear on the face of the Regulation S notes, and which will be used to notify transferees of the foregoing restrictions on transfer:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS NOTE, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER THIS NOTE, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS 40 DAYS AFTER THE LATER OF (1) THE ORIGINAL ISSUE DATE HEREOF AND (2) THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE), ONLY (A) TO THE ISSUER, (B) UNDER A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER AND TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) THROUGH OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN RELIANCE UPON REGULATION S OR (E) UNDER ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR OTHER TRANSFER PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, A CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER."

For further discussion of the requirements (including the presentation of transfer certificates) under the New Notes Indenture to effect exchanges or transfers of interest in global notes and certificated notes, see "Form of New Notes, Clearing and Settlement."

ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is a public limited company incorporated in England and Wales and its registered office is in England and Wales. The Issuer and the New Notes Guarantors are incorporated in, and have their respective principal executive offices or registered offices, as applicable, in England and Wales, Colombia, the United States, El Salvador and certain other jurisdictions. Most of the directors and the executive officers of the Issuer and the New Notes Guarantors are non-residents of the United States. Most assets of the Issuer and the New Notes Guarantors and of their directors and executive officers, are located outside the United States. It may not be possible for investors to effect service of process within the United States upon the Issuer, a New Notes Guarantor or such persons or to enforce against any of the judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States, and there is uncertainty as to the recognition and enforceability in England and Wales, Colombia, the United States, El Salvador and such other jurisdictions of civil liabilities predicated upon the federal securities laws of the United States (or any state or other jurisdiction thereof), either in original actions or in actions for enforcement of judgments of U.S. courts. Moreover, in light of recent decisions of the U.S. Supreme Court, actions of the Issuer and the New Notes Guarantors may not be subject to the civil liability provisions of the federal securities laws of the United States.

England and Wales

The United States and the United Kingdom currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England and Wales. In order to enforce any such U.S. judgment in England and Wales, proceedings must first be initiated before a court of competent jurisdiction in England and Wales. In such an action, the English court would not generally reinvestigate the merits of the original matter decided by the U.S. court and/or enforce a judgment, provided that (subject to what is described below) it would usually be possible to obtain summary judgment on such a claim (assuming that the defense to it has no real prospect of success and there is no other compelling reason for trial).

Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (among other things) the following:

- the U.S. court having had, at the time when proceedings were served, jurisdiction over the original proceedings according to English conflict of laws principles;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money; and
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature or in respect of a penalty or fine or otherwise based on a U.S. law that an English court considers to relate to penal, revenue or other public law.

An English court may refuse to enforce such a judgment if the judgment debtor satisfies the court that:

- the U.S. judgment contravenes English public policy;
- the U.S. judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained, is otherwise specified in Section 5 of the Protection of Trading Interests Act 1980 or is based on measures designated by the Secretary of State under Section 1 of the Act;
- the U.S. judgment has been obtained by fraud or in breach of English principles of natural or substantial justice;

- the U.S. judgment is a judgment on a matter previously determined by an English court or another court whose judgment is entitled to recognition in England and Wales or conflicts with an earlier judgment of such court;

- the English enforcement proceedings were not commenced within the relevant limitation period; or

- the U.S. judgment was obtained contrary to an agreement for the settlement of disputes under which the dispute in question was to be settled otherwise than by proceedings in a United States court (to whose jurisdiction the judgment debtor did not submit).

Only subject to the foregoing may investors be able to enforce in England and Wales judgments that have been obtained from U.S. federal or state courts in civil and commercial matters. Notwithstanding the preceding, we cannot assure you that those judgments will be recognized or enforceable in England and Wales. In addition, we cannot assure you whether an English court would accept jurisdiction and impose civil liability if the original action was commenced in England and Wales, instead of the United States, and predicated solely upon U.S. federal securities laws.

Colombia

Enforcement of foreign judgments

Colombia and the United States are both parties to the Hague Convention of November 15, 1965 on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters (the "Convention"), which provides for a proceeding for the service of judicial decisions issued in a state party to the Convention to a person domiciled in a foreign country that is also a state party to the Convention. Therefore, if the proceeding taking place in the United States is of a civil or commercial nature, the judicial decision issued in such proceeding may be served in Colombia following the procedure contained in the Convention.

The Colombian Supreme Court recognizes and enforces judgments from foreign courts through a procedure known under Colombian law as "*exequatur*." The Colombian Supreme Court will recognize and enforce a foreign judgment without reconsideration of the merits, only if the ruling satisfies the following requirements (set out in Articles 605 through 607 of the Colombian General Procedure Code): (i) there is an international treaty between Colombia and the country where the judgment was granted relating to the recognition and enforcement of foreign judgments or, in the absence of such treaty, there is reciprocity in the recognition of foreign judgments between the courts of the relevant jurisdiction and the courts of Colombia; (ii) the foreign judgment does not relate to *in rem* rights vested in assets that were located in Colombia at the time of the commencement of the proceedings in the foreign court that issued the judgment; (iii) the foreign judgment does not contravene or conflict with Colombian public order laws, other than those governing procedure; (iv) the foreign judgment, in accordance with the laws of the country in which it was obtained, is final (*res judicata*) and not subject to appeal under the laws of the country in which it was obtained; (v) a duly apostilled or legalized copy of the judgment, together with an official translation into Spanish, if the judgment is issued in a foreign language (other than Spanish), shall be submitted to the Colombian Supreme Court at the time of filing the request; (vi) the foreign judgment does not relate to any matter within the exclusive jurisdiction of Colombian courts; (vii) no proceedings are pending in Colombia with respect to the same cause of action, and no final judgment has been awarded in any proceeding in Colombia on the same subject matter; and (viii) in the proceeding commenced before the foreign court that issued the judgment, the defendant was duly served process in accordance with the laws of such jurisdiction and in a manner reasonably designed to give the defendant an opportunity to present his case and defend himself or herself against the action.

The *exequatur* request shall include a duly legalized or apostilled copy of the judgment (for those issued in countries that are party to the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents of October 5, 1961), together with an official translation into Spanish if the judgment is issued in a foreign language, and shall be submitted to the Colombian Supreme Court (or the competent court pursuant to an international treaty at the time of filing of the request).

The parties to the proceeding resulting in the foreign judgment must be served notice and duly linked to the exequatur proceedings. Although the General Procedure Code does not provide for a re-examination or re-litigation of the merits of the original action during exequatur proceedings, such proceedings include an evidentiary stage wherein each of the parties may present evidence. The Supreme Court must serve all the parties involved in the judgment, foreign or Colombian, for such parties to present their considerations regarding the petition. Thereafter, the court will decide upon the evidence requested and will set a date for a hearing where such evidence will be presented. Closing arguments will then be presented prior to the final decision.

Assuming that a foreign judgment complies with the standards set forth in the preceding paragraphs and has been recognized under exequatur proceedings, such foreign judgment would be enforceable in Colombia through a separate collection proceeding initiated under the laws of Colombia. This means that a party interested in obtaining the recognition and enforcement of a foreign judgment would be required to conduct two different local proceedings (the exequatur proceedings and the collection proceedings) and will have to assume the cost and expenses incurred in these proceedings. Collection proceedings for enforcement of a money judgment by attachment or execution against any assets or property located in Colombia would be within the exclusive jurisdiction of Colombian courts.

The United States and Colombia do not have a bilateral treaty providing for automatic reciprocal recognition and enforcement of judgments in civil and commercial matters. Notwithstanding, the Colombian Supreme Court has generally accepted that reciprocity exists when it has been proven that either a U.S. court has enforced a Colombian judgment or that a U.S. court would enforce a foreign judgment, including a judgment issued by a Colombian court. However, the Colombian legal system is not based on precedents and exequatur decisions are made on a case-by-case basis.

According to Article 177 of Law 1564 of 2012 (*Código General del Proceso*), legislative reciprocity between Colombia and the United States can be proven by providing a copy of the relevant law issued by the competent authority of the U.S., the U.S. consul general in Colombia or the Colombian consul general in the U.S. In the absence of a text written law, it can be proven with two witness statements from U.S. lawyers, or an expert report.

The parties to the proceeding in which the foreign judgment was issued must be duly summoned in the *exequatur* proceeding. During the course of the *exequatur* proceeding an evidentiary stage will take place to allow the parties to present their evidence in connection with the requirements listed above. In addition, before the judgment is rendered, each party is entitled to file closing arguments to support their case regarding the above-mentioned requirements. Notwithstanding the foregoing, Law 1564 of 2012 does not provide for a re-examination or re-litigation of the merits of the original action during the *exequatur* proceeding.

Proceedings before Colombian courts are conducted in Spanish. Collection proceedings for enforcement of a money judgment by attachment or execution against any assets or property located in Colombia are within the exclusive jurisdiction of Colombian courts.

Foreign currency

Under applicable Colombian law, an obligation payable in Colombia resulting by agreement, if denominated in a currency other than Colombian pesos, must be satisfied in Colombian pesos at the applicable rate of exchange in effect on the date on which payments are made (or another conversion method, if agreed), unless such an obligation is deemed a foreign exchange operation (*operación de cambio*) under the Colombian foreign exchange regime, in which case the obligation must be paid in the agreed foreign currency. Nonetheless, if proceedings are brought before a Colombian court seeking the payment of obligations denominated in a currency other than pesos, we would not be required to discharge those obligations in that currency. Any obligation resulting from a judgment issued by a Colombian court must be discharged in pesos regardless of whether the payment obligation was denominated in a foreign currency and/or that obligation is deemed a foreign exchange operation. As a result, holders of the New Notes may be exposed to exchange rate risks and could suffer a U.S. dollar shortfall if they obtain a judgment pursuant to a proceeding in Colombia and the prevailing exchange rate on the currency conversion date is not favorable.

Insolvency Proceedings

Law 1116 of 2006 of Colombia includes rules for both reorganization and liquidation proceedings for merchants, and Colombian commercial companies not excluded from its scope of application, that are undergoing financial difficulties, are in a state of temporary financial crisis or are insolvent. The purpose of a reorganization proceeding is to preserve a company through a reorganization agreement with its creditors. If the reorganization fails, a judicial liquidation proceeding will be initiated to unwind the company and to orderly pay the debts according to the legal order of payment.

Colombian law establishes a statutory payment order for the credits accrued prior to the commencement of an insolvency proceeding, by which creditors of the same class shall be paid in the same conditions unless an exception is applicable. The creditors must be paid in the following order: (i) *first class*: employment-related and special tax-related obligations; (ii) *second class*: pledge holders, secured creditors with moveable assets securities; (iii) *third class*: mortgage holders; (iv) *fourth class*: strategic suppliers; and (v) *fifth class*: all other creditors. Obligations accrued after the commencement of the insolvency proceeding are considered administrative expenses subject to preferential payment over obligations subject to the insolvency proceeding. In addition, by means of a reorganization agreement and subject to certain requirements, the parties may agree that new funds disbursed after the date of the reorganization agreement will have the same priority in payment as tax claims, which have legal priority over secured obligations such as the New Notes. Under the Colombian insolvency regime, payments of principal and interest of post-petition loans are deemed administrative expenses and, therefore, are not subject to the reorganization agreement and enjoy a higher priority than pre-petition claims, even in liquidation. In addition, any post-petition lender providing new funds to the debtor is allowed to convert the priority of its pre-petition claims so it is shared with those of Colombian taxing authorities, on a peso-for-peso basis.

A reorganization petition may be filed before the relevant authority (which may be the CSC or, in exceptional cases, a Civil Court of the debtor's domicile), upon two situations (i) cessation of payments, or (ii) imminent payment default. Pursuant to Article 9 of Law 1116, each one consists of the following:

- Cessation of payments: if (a) the debtor fails to pay, for 90 days or more, two or more obligations owed to two or more creditors, or (b) two collection proceedings have been initiated against the debtor by two or more creditors. In any case, the aggregate value of the indebtedness in question must represent at least 10% of the debtor's total liabilities based on its financial statements. In this case, the reorganization petition shall be filed by the debtor, one or more creditor holders of the defaulted debt or by the relevant authority.
- Imminent payment default: when the debtor certifies the existence of circumstances in the relevant market or within its organization or structure, which affect or may reasonably affect in a severe form, the normal compliance of its obligations with a maturity equal to or less than one year. In this case, the reorganization petition shall be filed by the debtor or at least two external creditors not related to the debtor or its shareholders.

The CSC is the competent authority to act as a judicial body for Law 1116 bankruptcy cases regarding, among others, companies, sole shareholder companies, and branches of foreign companies. In such cases, the CSC has broad powers and authority to direct the process and to comply with its overall purpose. The CSC may request or obtain the information necessary for an adequate direction of the insolvency proceedings, take all measures necessary to protect, guard and recover the assets of the debtor, including revocation of the acts and contracts executed in detriment of creditors, removal and imposition of sanctions and fines to the managers of the debtor for failing to comply with the CSC's orders or their legal duties and obligations, and act as a conciliator during the proceedings.

In connection with the revocation of the acts or contracts mentioned above, Law 1116 establishes that, during the insolvency proceeding and within six (6) months following the date on which the project of claims and voting rights (*proyecto de calificación y graduación de créditos y derechos de voto*) is final and binding, any of the creditors, the promoter or the liquidator or the CSC may initiate a claw back action (*acción revocatoria o de simulación*) before the CSC, against certain acts or the business of the debtor when such have impaired any of the creditors or affected the priority of claims, and when the debtor's assets are insufficient to cover the total of the recognized credits.

The main debtor's acts that may be clawed-back are:

- The obligations and, in general, any act that implies transfer, provision, constitution or cancellation of liens, limitation or dismemberment of the property of the debtor, carried out in detriment of its estate, or any lease that prevents the object of the process, during the eighteen (18) months prior to the start of the reorganization process, or the judicial liquidation process, when it does not appear that the purchaser, lessee or borrower, acted in good faith; and
- Any free act held within twenty-four (24) months prior to the commencement of the reorganization proceeding or the judicial liquidation proceeding.

Reorganization Proceedings

The petition to be admitted to a reorganization proceeding must include, among other things, an inventory of the debtor's assets and liabilities, a business reorganization agreement, which shall include the financial and organizational restructuring plan, and a project of claims which sets forth the order of priority of the debtor's credits in accordance with Colombian law and each creditor's voting rights. If creditors object to any of the foregoing, the matter will be brought before the CSC, as insolvency court. Once the objections have been resolved, the CSC will approve the inventory, project of claims and voting rights and set the term to file the reorganization agreement.

Under the relevant Colombian laws and regulations, a provision that states that the initiation or promotion of a reorganization proceeding will result in an event of default or cause for termination under the corresponding agreement will be considered ineffective *ipso iure*, and a creditor that enforces such provision may be pushed back in its order of payment behind all other creditors and collateral securing its debt may be cancelled by the insolvency court. All other provisions under such agreement will not be affected.

Liquidation Proceedings

Liquidation proceedings aim at selling or assigning all the debtor's assets. Upon commencement of a liquidation proceeding, creditors are to be paid promptly with the proceeds of the sale of its assets and the remaining assets will be assigned to creditors *in lieu* of payment. In this type of proceedings, the CSC will appoint a liquidator that will manage and assume the legal representation of the debtor. A liquidation proceeding may be initiated, among others, by the debtor's request or *ex-officio* by the relevant authority.

The main effects of the commencement of the liquidation proceeding are: (i) dissolution of the company; (ii) removal of directors and officers and appointment of a liquidator by the insolvency court; (iii) termination of all agreements, except agreements necessary to maintain assets of the debtor; (iv) interruption on statute of limitations for all credits; (v) enforceability of all debts; and (vi) payment of the obligations will be done in accordance to the priority payment order rules with the assets of the liquidation estate.

Parent company, shareholders, officers, and employees' liability in an insolvency proceeding

Pursuant to Article 61 of Law 1116 of 2006 of Colombia, an insolvency court may establish a joint liability of the parent company and its subsidiary for the obligations of the subsidiary, within an insolvency proceeding of the latter. This joint liability will be presumed by the insolvency court whenever the of insolvency is caused by actions of the parent company due to its control over the subsidiary. For purposes of rebutting this presumption, the parent or controlling shareholder of an insolvent company will be required to prove that the insolvency of the subsidiary is not a consequence of actions or omissions of the parent or controlling shareholder which knowingly triggered the economic destabilization of the subsidiary and for the benefit the parent company.

Additionally, pursuant to Article 82 of Law 1116, if the debtor's equity is reduced as a result of willful or negligent conduct attributable to the shareholders, directors, auditors or employees, they shall be liable for the payment of the outstanding debts of the debtor, subject to the exceptions provided therein.

Revocation of acts under a reorganization proceeding

During an insolvency proceeding and within six months following the date on which the rating and graduation of credits and voting rights are final, any of the creditors, the promoter, the liquidator or the insolvency court may initiate a revocation action (*acción revocatoria* or *acción de simulación*) against certain acts or transactions of the debtor (including the enforcement of a guarantee and security interests) when the debtor's assets are insufficient to cover the debt obligations recognized in the insolvency proceeding, if such acts or transactions have negatively affected any of the creditors or affected the priority of claims established by the law.

Some of the debtor's acts that may be revoked include:

- the termination of obligations, any payment in kind and, in general, any act that implies transfer, disposition, creation or cancellation of liens, limitation or division of the ownership of assets of the debtor, carried out in detriment of its net worth, or any lease that hinders the purpose of the process, during the eighteen months prior to the purchaser, lessee or borrower, acted in good faith; and
- any act without consideration (such as donations) entered into within twenty-four months prior to the initiation of the reorganization process or the judicial liquidation process.

A Colombian bankruptcy court may also find there has a been a preferential transfer resulting from the grant of security interests in the New Notes Collateral for the benefit of previously unsecured creditors without granting such benefit to other creditors if such security grant was made within 18 months of the Colombian New Notes Guarantors' initiation of reorganization or judicial liquidation proceedings. Consequently, such New Notes Collateral transfer may be clawed back or invalidated by a Colombian bankruptcy court or require the holders of the New Notes to repay any amounts received with respect to the New Notes. Such Colombian court may take into consideration whether the transfer was for consideration, commercially reasonable and in good faith, but there can be no assurance that such New Notes Collateral transfer will not be clawed back or invalidated.

An insolvency court in Colombia may declare null the granting of guarantees and/or creation of security interests in the New Notes Collateral by the Colombian New Notes Guarantors if it finds that such act was made within the eighteen-month period prior to the initiation of reorganization or liquidation proceedings and such guarantee or security interest constitutes a fraudulent conveyance, in the terms of Article 74 of Law 1116 of 2006. While the holders of New Notes might claim that the grant of guarantees and creation of security interests in the New Notes Collateral was made in good faith, for reasonable consideration and not in detriment to other creditors, there can be no assurance that a Colombian insolvency court would not invalidate such acts by the Colombian New Notes Guarantors. One of the factors a Colombian court may consider is whether the secured party knew that the debtor was insolvent, or on the brink of insolvency, when the debt was secured or guaranteed.

El Salvador

Judgments of non-Salvadoran courts for civil liabilities predicated upon non-Salvadoran securities laws may be enforced in El Salvador, subject to certain requirements described below. A judgment against the Salvadoran New Notes Guarantor obtained outside El Salvador would be enforceable in El Salvador if following the procedure by which the Salvadoran Supreme Court of Justice, by constitutional mandate, grants recognition for a judgment issued by a foreign court to be enforced in the country, consisting in the fulfillment of the legal requirements set forth in Articles 555 to 558 of the Salvadoran Civil and Commercial Procedure Code. Such requirements are the following:

- Filing of a formal request for recognition of the foreign ruling before the Supreme Court of Justice, with original annexes and a copy of all documentation submitted, which foreign ruling will be recognized by the Supreme Court of Justice if:
    - such ruling is not subject to any further appeals, and has been issued by a competent court;
    - process in the foreign action has been properly served personally on the Salvadoran Guarantor, and in the event the judgment has been issued in contempt ("*rebeldía*") of the Salvadoran New Notes Guarantor, the Salvadoran New Notes Guarantor was granted the opportunity to exercise its defense,

and received proper notice of the resolution declaring the "rebeldía" and notice of the respective foreign ruling;

- the ruling fulfills the necessary requirements to be considered authentic in the foreign jurisdiction and in El Salvador;

- the obligation for which enforcement is sought is licit in El Salvador and does not violate any law, constitutional principle or public policy of El Salvador;

- the applicable procedures under the laws of El Salvador to the enforcement of the ruling (including attainment of an authorization from the Supreme Court of Justice of El Salvador) is complied with.

- The original judgment, and any other necessary documentation, must be duly translated into the Spanish language, legalized by apostille, or when not available, legalized by consular means.

- The Supreme Court, prior to granting its authorization, must notify the matter to and hear the defendant, who could argue non-fulfillment of the required conditions stated hereunder, in which case an evidence-delivery period would be opened. After conclusion of this evidence-delivery period, the Supreme Court would issue a final resolution, authorizing or denying the local execution of the foreign judgment and, if authorization is granted by the Supreme Court, the plaintiff would then have to file the Supreme Court's resolution in a local competent court (i.e. court in the defendant's domicile), who would carry out execution of the judgment against the defendant and order the attachment on the defendant's respective assets.

LEGAL MATTERS

The validity of the New Notes and the New Notes Guarantees will be passed upon for the Issuer and the New Notes Guarantors by Simpson Thacher & Bartlett LLP, U.S. counsel to the Issuer and the New Notes Guarantors, and for the Dealer Managers and Solicitation Agents by Davis Polk & Wardwell LLP, U.S. counsel to the Dealer Managers and Solicitation Agents.

Certain matters of Colombian law will be passed upon for the Issuer and the New Notes Guarantors by Gomez-Pinzon Abogados S.A.S., Colombian counsel to the Issuer and the New Notes Guarantors, and for the Dealer Managers and Solicitation Agents by Philippi, Prietocarrizosa, Ferrero DU & Uría S.A.S., Colombian counsel to the Dealer Managers and Solicitation Agents.

Certain matters of U.K. law will be passed upon for the Issuer and the New Notes Guarantors by Simpson Thacher & Bartlett LLP, U.K. counsel to the Issuer and the New Notes Guarantors, and for the Dealer Managers and Solicitation Agents by Davis Polk & Wardwell LLP, U.K. counsel to the Dealer Managers and Solicitation Agents.

Certain matters of Bermuda law will be passed upon for the Issuer and the New Notes Guarantors by Walkers (Bermuda) Limited, Bermuda counsel to the Issuer and the New Notes Guarantors, and for the Dealer Managers and Solicitation Agents by Cox Hallet Wilkinson Limited, Bermuda counsel to the Dealer Managers and Solicitation Agents.

INDEPENDENT AUDITORS

The consolidated financial statements of Avianca Group International Limited and subsidiaries as at and for the year ended December 31, 2023 and 2022 included elsewhere in this Exchange Offer and Consent Solicitation Memorandum, have been audited by KPMG S.A.S. ("KPMG"), independent auditors, as stated in their report appearing herein.

The audit report covering the December 31, 2023 consolidated financial statements contains an emphasis of a matter and an other matter paragraph that states that the previously issued consolidated financial statements for the year ended December 31, 2023 on which KPMG issued an auditor's report have been revised and reissued.

The unaudited condensed consolidated interim financial statements of Avianca Group International Limited and subsidiaries as of September 30, 2024 and for the three-month and nine-month periods ended September 30, 2024 and 2023, included elsewhere in this Exchange Offer and Consent Solicitation Memorandum, have been reviewed by KPMG, independent auditors, as stated in their report appearing herein. KPMG have reported that they applied limited procedures in accordance with professional standards for a review of such information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

APPRAISERS

mba Aviation, an independent aviation appraisal and consulting firm, has prepared an appraisal of Avianca Cargo Freighter Business as of January 2, 2025. mba Aviation has delivered a report summarizing their appraisals. This report, dated January 13, 2025, is annexed to this Exchange Offer and Consent Solicitation Memorandum as Annex A. References to such appraisal throughout this Exchange Offer and Consent Solicitation Memorandum are included based upon our reliance on mba Aviation as experts.

mba Aviation, an independent aviation appraisal and consulting firm, has prepared an appraisal of LifeMiles, Ltd. Loyalty Program as of January 2, 2025. mba Aviation has delivered a report summarizing their appraisals. This report, dated January 13, 2025, is annexed to this Exchange Offer and Consent Solicitation Memorandum as Annex B. References to such appraisal throughout this Exchange Offer and Consent Solicitation Memorandum are included based upon our reliance on mba Aviation as experts.

mba Aviation, an independent aviation appraisal and consulting firm, has prepared an appraisal of Avianca Group International Limited's Brand Intellectual Property as of January 2, 2025. mba Aviation has delivered a report summarizing their appraisals. This report, dated January 13, 2025, is annexed to this Exchange Offer and Consent Solicitation Memorandum as Annex C. References to such appraisal throughout this Exchange Offer and Consent Solicitation Memorandum are included based upon our reliance on mba Aviation as experts.

mba Aviation, an independent aviation appraisal and consulting firm, has prepared an appraisal of Avianca Group International Limited's Route Franchise Network as of January 2, 2025. mba Aviation has delivered a report summarizing their appraisals. This report, dated January 13, 2025, is annexed to this Exchange Offer and Consent Solicitation Memorandum as Annex D. References to such appraisal throughout this Exchange Offer and Consent Solicitation Memorandum are included based upon our reliance on mba Aviation as experts.

LISTING AND GENERAL INFORMATION

1. We expect that the New Notes will be delivered in book-entry form through DTC, and its direct and indirect participants, including Clearstream and Euroclear, on the Settlement Date.

2. Except as disclosed in this Exchange Offer and Consent Solicitation Memorandum, there has been no material adverse change in our financial position since September 30, 2024, the date of our latest consolidated financial statements included in this Exchange Offer and Consent Solicitation Memorandum.

3. Application will be made for the listing of the New Notes on a stock exchange that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007.

4. The issuance of the New Notes in connection with this Offer and Solicitation was authorized by the board of directors of the Issuer on January 10, 2025. The issuance of the New Notes Guarantees in connection with this Offer and Solicitation was authorized by the board of directors of AGIL on January 10, 2025.

5. We have not been notified of our involvement in any legal, administrative or arbitration proceeding that is material in the context of the issuance of the New Notes. We are not aware of any material legal, administrative or arbitration proceeding that is pending or threatened against us except as disclosed in this Exchange Offer and Consent Solicitation Memorandum.

6. For so long as any New Notes remain outstanding, copies of the New Notes Indenture under which the New Notes will be issued may be inspected free of charge during normal business hours at our principal office at Ac. 26 #59-15, Bogotá, Colombia.

7. For so long as any New Notes remain outstanding, copies of the following documents (together, where necessary, with English translations thereof) may be obtained free of charge during normal business hours at our principal office described above:

    - this Exchange Offer and Consent Solicitation Memorandum;
    - our consolidated financial statements; and
    - our articles of association.

INDEX TO FINANCIAL STATEMENTS

Avianca Group International Limited and Subsidiaries Unaudited Condensed Consolidated Interim Financial Statements as of September 30, 2024 and for the three-month and nine-month period ended September 30, 2024 and 2023

Avianca Group International Limited and Subsidiaries Audited Consolidated Financial Statements as of December 31, 2023 and 2022 and for the two years ended December 31, 2023, 2022

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Unaudited Condensed Consolidated Interim Financial Statements
As of September 30, 2024, and
for the nine-month period ended September 30, 2024
with the independent auditor's report on the review of the interim financial statements

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders
Avianca Group International Limited:

Introduction

We have reviewed the accompanying September 30, 2024 condensed consolidated interim financial statements of Avianca Group International Limited ("the Group"), which comprises:

- the condensed consolidated statement of financial position as at September 30, 2024;
- the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended September 30, 2024;
- the condensed consolidated statements of changes in equity for the nine-month period ended September 30, 2024;
- the condensed consolidated statements of cash flows for the nine-month period ended September 30, 2024; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying September 30, 2024 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG S.A.S.

KPMG S.A.S.
Calle 90 No. 19C - 74
November 7, 2024

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Condensed Consolidated Statements of Financial Position

(In USD thousands)

	Notes	September 30, 2024 Unaudited	December 31, 2023 (*)
Assets			
Current assets:			
Cash and cash equivalents	8	$ 894,309	$ 767,547
Short-term investments	8	208,422	257,553
Trade and other receivables	9	266,687	263,433
Accounts receivable from related parties	10	8,431	4,897
Current tax assets	18	249,577	196,152
Expendable spare parts and supplies		103,671	93,506
Prepayments		7,307	14,878
Deposits and other assets	11	44,714	56,955
		1,783,118	**1,654,921**
Assets held for sale	12	732	10,743
Total current assets		**1,783,850**	**1,665,664**
Non–current assets:			
Deposits and other assets	11	125,997	124,338
Accounts receivable from related parties	10	121,407	112,726
Intangible assets	14	1,296,446	1,327,475
Goodwill	14	1,524,638	1,524,638
Deferred tax assets	18	46,276	45,444
Right of use assets	15	2,995,521	2,933,247
Property and equipment	13	1,132,772	899,515
Total non–current assets		**7,243,057**	**6,967,383**
Total assets		**$ 9,026,907**	**$ 8,633,047**

(*) The amounts are derived from the audited consolidated statement of financial position.

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Condensed Consolidated Statements of Financial Position

(In USD thousands)

	Notes	September 30, 2024 Unaudited	December 31, 2023 (*)
Current liabilities:			
Short-term borrowings and current portion of long term-debt	16	$ 224,753	$ 206,817
Current portion of lease liability	15	279,587	269,360
Accounts payable		622,132	550,680
Accounts payable to related parties	10	874	79
Accrued expenses		69,956	85,799
Current tax liabilities	18	36,544	37,042
Provisions for legal claims	19	36,194	31,125
Provisions for return conditions	15	—	8,098
Employee benefits		115,058	135,749
Air traffic liability		620,847	680,425
Frequent flyer deferred revenue		169,987	164,540
Other liabilities		239	86
Total current liabilities		**2,176,171**	**2,169,800**
Non–current liabilities:			
Long–term debt	16	2,310,006	2,080,841
Long-term lease liability	15	2,375,508	2,214,592
Provisions for return conditions	15	825,677	807,294
Employee benefits		69,912	71,191
Deferred tax liabilities	18	133,365	136,045
Frequent flyer deferred revenue		261,824	271,964
Other liabilities		115	88
Total non–current liabilities		**5,976,407**	**5,582,015**
Total liabilities		**8,152,578**	**7,751,815**
Equity			
Common shares	23	4	4
Share premium		1,145,962	1,145,962
Retained deficit		(288,825)	(208,402)
Other comprehensive income		(1,056)	(72,567)
Equity attributable to owners of the Company		**856,085**	**864,997**
Non–controlling interest (NCI)		18,244	16,235
Total equity		**874,329**	**881,232**
Total liabilities and equity		**$ 9,026,907**	**$ 8,633,047**

See accompanying notes to condensed consolidated interim financial statements.

(*) The amounts are derived from the audited consolidated statement of financial position.

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Condensed Consolidated Statement of Comprehensive Income (Loss)

(In USD thousands)

	Notes	For the Nine months ended September 30, 2024 Unaudited	For the Nine months ended September 30, 2023 Unaudited
Operating revenue:			
Passenger		$ 3,263,125	$ 2,932,688
Cargo and other		544,761	550,648
Total operating revenue	5, 21	**3,807,886**	**3,483,336**
Operating expenses:			
Aircraft fuel		$ 1,085,656	$ 1,026,271
Salaries, wages, and benefits		500,942	386,524
Ground operations		397,499	345,494
Air traffic		192,483	156,080
Flight operations		70,893	72,459
Passenger services		79,921	64,184
Maintenance and repairs		152,187	133,339
Selling expenses		269,152	267,822
Fees and other expenses		207,402	160,569
Rentals	15	63,505	91,044
Depreciation of right of use asset	15	293,895	239,270
Other depreciation and amortization	13,14	91,480	93,959
Impairment of other investments and assets held for sale		—	9,348
Total operating expenses		**3,405,015**	**3,046,363**
Operating income		**402,871**	**436,973**
Interest expense		(411,849)	(377,071)
Interest income		45,352	36,280
Net interest expense	22	**(366,497)**	**(340,791)**
Foreign exchange, net		(4,220)	(3,218)
Equity method income		609	726
Income before tax		**32,763**	**93,690**
Income tax expense – current	18	(27,891)	(30,095)
Income tax benefit– deferred	18	3,489	22,184
Total tax expenses		**(24,402)**	**(7,911)**
Net income for the period		**$ 8,361**	**$ 85,779**

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Condensed Consolidated Statement of Comprehensive Income (Loss)

(In USD thousands)

	Notes	For the Nine months ended September 30, 2024 Unaudited	For the Nine months ended September 30, 2023 Unaudited
Net income for the period		**8,361**	**85,779**
Other comprehensive (loss) income:			
Items that will not be reclassified to income or loss in future periods:			
Revaluation of administrative property		(8,512)	27
Remeasurements of defined benefit	7	486	(39,824)
Income tax	18	63	1,716
		(7,963)	**(38,081)**
Items that will be reclassified to Income in future periods:			
Effective portion of changes in fair value of hedging instruments		(6,683)	(559)
Net change in fair value of financial assets with changes in OCI		486	170
Foreign operations — foreign currency translation differences		(1,104)	3,433
		(7,301)	**3,044**
Other comprehensive loss, net of income tax		(15,264)	(35,037)
Total comprehensive (loss) income, net of income tax		**(6,903)**	**50,742**
Income attributable to			
Equity holders of the parent		6,519	81,989
Non–controlling interest		1,842	3,790
Net income		**8,361**	**85,779**
Total comprehensive (loss) income attributable to:			
Equity holders of the parent		(8,912)	46,780
Non–controlling interest		2,009	3,962
Total comprehensive (loss) income		**$ (6,903)**	**$ 50,742**

See accompanying notes to condensed consolidated interim financial statements.

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Condensed Consolidated Statement of Comprehensive Income (Loss)

(In USD thousands)

	Notes	For the three months period from July 1 to September 30, 2024 Unaudited	For the three months period from July 1 to September 30, 2023 Unaudited
Operating revenue:			
Passenger		$ 1,192,784	$ 1,114,805
Cargo and other		173,546	166,678
Total operating revenue	5, 21	**1,366,330**	**1,281,483**
Operating expenses:			
Aircraft fuel		365,304	367,135
Salaries, wages, and benefits		168,145	143,017
Ground operations		134,277	124,315
Air traffic		67,779	59,738
Flight operations		19,617	24,128
Passenger services		29,357	25,180
Maintenance and repairs		54,420	45,640
Selling expenses		91,661	90,832
Fees and other expenses		77,690	38,410
Rentals	15	16,769	26,089
Depreciation of right of use asset		110,521	90,862
Depreciation, amortization and impairment		33,474	33,962
Assets held for sale		—	(513)
Total operating expenses		**1,169,014**	**1,068,795**
Operating income		**197,316**	**212,688**
Interest expense		(146,617)	(145,025)
Interest income		14,082	19,378
Net interest expense	22	**(132,535)**	**(125,647)**
Foreign exchange, net		1,201	(6,383)
Equity method income		205	191
Income before income tax		**66,187**	**80,849**
Income tax expense – current	18	(8,435)	(13,262)
Income tax benefit– deferred	18	255	14,476
Total tax expenses		**(8,180)**	**1,214**
Net income for the period		**$ 58,007**	**$ 82,063**

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Condensed Consolidated Statement of Comprehensive Income (Loss)

(In USD thousands)

	Notes	For the three months period from July 1 to September 30, 2024	For the three months period from July 1 to September 30, 2023
		Unaudited	Unaudited
Net income for the period		**$ 58,007**	**$ 82,063**
Other comprehensive (loss) income:			
Items that will not be reclassified to loss or income in future periods:			
Revaluation of administrative property		(207)	—
Remeasurements of defined benefit	7	(3,848)	(43,219)
Income tax	18	—	1,757
		(4,055)	**(41,462)**
Items that will be reclassified to Income in future periods:			
Effective portion of changes in fair value of hedging instruments		(6,683)	(559)
Net change in fair value of financial assets with changes in OCI		425	(37)
Foreign operations — foreign currency translation differences		(853)	374
		(7,111)	**(222)**
Other comprehensive income (loss), net of income tax		(11,166)	(41,684)
Total comprehensive income, net of income tax		**46,841**	**40,379**
Income attributable to:			
Equity holders of the parent		57,705	81,021
Non–controlling interest		302	1,042
Net income		**58,007**	**82,063**
Total comprehensive income attributable to:			
Equity holders of the parent		46,403	39,148
Non–controlling interest		438	1,231
Total comprehensive income		**$ 46,841**	**$ 40,379**

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Condensed Consolidated Statement of Changes in Equity

(In USD thousands)

		For the Nine months ended September 30, 2024						
		Common shares	Share premium	Other comprehensive Income	Retained deficit	Equity attributable to owners of the Company	Non-controlling interest	Total equity
	Notes			OCI Reserves				
Balance at December 31, 2023		**$ 4**	**$ 1,145,962**	**$ (72,567)**	**$ (208,402)**	**$ 864,997**	**$ 16,235**	**$ 881,232**
Net income			—	—	6,519	6,519	1,842	8,361
Reclassification of the net defined benefit from OCI	7	—	—	86,942	(86,942)	—	—	—
Other comprehensive income		—	—	(15,431)	—	(15,431)	167	(15,264)
Balance at September 30, 2024 (Unaudited)		**$ 4**	**$ 1,145,962**	**$ (1,056)**	**$ (288,825)**	**$ 856,085**	**$ 18,244**	**$ 874,329**

See accompanying notes to condensed consolidated interim financial statements.

AVIANCA GROUP INTERNATIONAL LIMITED

(England, United Kingdom)

Condensed Consolidated Statement of Changes in Equity

(In USD thousands)

	For the Nine months ended September 30, 2023						
	Common shares	Share premium	Other comprehensive Income	Retained deficit	Equity attributable to owners of the Company	Non-controlling interest	Total equity
			OCI Reserves				
Balance at December 31, 2022	**$ 4**	**$ 1,145,962**	**$ (21,537)**	**$ (336,066)**	**$ 788,363**	**$ 16,139**	**$ 804,502**
Net income	—	—	—	81,989	81,989	3,790	85,779
Sale of Subsidiary	—	—	—	—	—	(2,250)	(2,250)
Other comprehensive income	—	—	(35,209)	—	(35,209)	172	(35,037)
Balance at September 30, 2023 (Unaudited)	**$ 4**	**$ 1,145,962**	**$ (56,746)**	**$ (254,077)**	**$ 835,143**	**$ 17,851**	**$ 852,994**

See accompanying notes to condensed consolidated interim financial statements.

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Condensed Consolidated Statement of Cash Flows

(In USD thousands)

	Notes	For the Nine months ended September 30, 2024 Unaudited	For the Nine months ended September 30, 2023 Unaudited
Cash flows from operating activities:			
Net income for the period		**$ 8,361**	**$ 85,779**
Adjustments for:			
Provision for expected credit losses	9	2,600	21,940
Provision for expandable spare parts and suppliers obsolescence		1,402	1,528
Provision (recovery) of legal claims, net	19	12,766	(2,603)
Depreciation of right of use asset	15	293,895	239,270
Other depreciation, amortization and impairment	13,14	91,480	93,959
Loss (gain) in disposal assets		2,061	(1,907)
Loss on sale subsidiary		—	6,654
Interest income	22	(45,352)	(36,280)
Interest expense	22	411,849	377,071
Deferred tax	18	(3,489)	(22,184)
Current tax expense	18	27,891	30,095
Derivative instruments	24	16,640	275
Unrealized foreign currency loss (gain)		21,698	(21,097)
Changes in:			
Trade and other receivables		(10,112)	(29,100)
Expendable spare parts and supplies		(10,278)	(10,250)
Prepayments		7,527	5,549
Net current tax		(37,177)	33,137
Deposits and other assets		6,985	(41,744)
Accounts payable and accrued expenses		53,996	16,258
Air traffic liability		(59,578)	102,922
Frequent flyer deferred revenue		(6,696)	(22,630)
Provisions for return conditions		(8,099)	(398)
Provisions for legal claims		(3,376)	(6,594)
Employee benefits		(21,392)	(21,717)
Net payments for hedging instruments		(25,303)	(3,304)
Income tax paid		(69,432)	(39,841)
Net cash provided by operating activities		**658,867**	**754,788**

AVIANCA GROUP INTERNATIONAL LIMITED
(England, United Kingdom)
Condensed Consolidated Statement of Cash Flows
(In USD thousands)

Cash flows from investing activities:			
Acquisition of property and equipment		(315,266)	(222,927)
Reimbursement of equipment acquisition		32,541	25,860
Acquisition of short-term investments		(264,748)	(228,454)
Maturity of short-term investments		314,220	29,542
Acquisition of intangible assets		(14,635)	(13,089)
Interest received		35,722	22,845
Proceeds from sale of property and equipment		—	31,784
Consideration received from disposal of subsidiary		—	4,506
Cash and cash equivalents disposed		—	(4,011)
Net cash used in investing activities		**(212,166)**	**(353,944)**
Cash flows from financing activities:			
Proceeds from loans and borrowings	16	300,000	11,500
Transaction costs related to loans and borrowings	16	(9,966)	—
Interest paid	16	(119,642)	(125,357)
Lease interest paid	15	(208,985)	(128,516)
Payment of leases	15	(193,444)	(135,651)
Payment of loans and borrowings	16	(87,785)	(108,931)
Net cash used in financing activities		**(319,822)**	**(486,955)**
Net increase (decrease) cash and cash equivalents		126,879	(86,111)
Exchange rate effect on cash		(117)	640
Cash and cash equivalents at the beginning of the period		767,547	816,716
Cash and cash equivalents at the end of the period	8	**$ 894,309**	**$ 731,245**

See accompanying notes to condensed consolidated interim financial statements.

(1) Reporting entity

Avianca Group International Limited ("AGIL" or the "Company") was incorporated and existing under the laws of England and Wales as of September 27, 2021, with its registered office at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT. AGIL, together with its subsidiaries, will be referred to as the "Group" for the purposes of this document.

AGIL is a controlled entity of Abra Group Limited ("Abra") since April 3, 2023. AGIL is the parent entity of a group of leading providers of air travel and cargo services in Latin America and around the globe.

Significant subsidiaries

The following are the Group's significant subsidiaries included within these condensed consolidated interim financial statements:

Name Subsidiary	Country of incorporation	Ownership Interest% 2024	Ownership Interest% 2023
Avianca Midco 2 PLC UK	England	100%	100%
Avianca Ecuador S.A.	Ecuador	99.62%	99.62%
Aerovías del Continente Americano S.A. (Avianca)	Colombia	99.98%	99.98%
Grupo Taca Holdings Limited.	Bahamas	100%	100%
LifeMiles Ltd.	Bermuda	100%	100%
Avianca Costa Rica S.A.	Costa Rica	92.42%	92.42%
Taca International Airlines, S.A.	El Salvador	96.83%	96.83%
Tampa Cargo S.A.S.	Colombia	100%	100%

The Group, through its subsidiaries, is a provider of domestic and international passenger and cargo air transportation, both in the domestic markets of Colombia, Ecuador and international routes serving North, Central and South America, Europe, and the Caribbean.

The passenger airlines of the Group have entered into several bilateral code share alliances with other airlines (whereby selected seats on one carrier's flights can be marketed under the brand name and commercial code of the other), expanding travel choices to customers worldwide.

Most codeshare alliances typically include: a single ticket issued in a single transaction for the whole itinerary, passenger and baggage check-in to the final destination, transfer of baggage at any transfer point, frequent flyer program benefits, among others. To date, the airlines of AGIL have codeshare agreements with the following airlines: Air Canada, Air China, Air India, All Nippon Airways, Azul Linhas Aéreas Brasileiras, Clic, Copa Airlines, Emirates, Etihad Airways, Eva Airways, GOL Linhas Aéreas, Iberia, ITA Airways, Lufthansa, Singapore Airlines, Turkish Airlines, Silver Airways, TAP and United Airlines.

In addition, Avianca S.A. is a member of Star Alliance, as well as Taca International, Avianca Ecuador and Avianca Costa Rica, as "*Connected Entities*" of Avianca S.A. This gives customers access to the destinations, services and benefits offered by the 25 airline members of Star Alliance. Its members include several of the world's most recognized airlines, like Air Canada, Lufthansa, Singapore Airlines, TAP, Thai Airways, United Airlines, among others. All of them are committed to meeting the highest standards in terms of joint connectivity, safety, customer service and benefits.

As of September 30, 2024, and December 31, 2023, Avianca Group International Limited's total fleet is comprised of:

	As of September 30, 2024			As of December 31, 2023		
Aircraft	**Owned**	**Lease (1)**	**Total**	**Owned**	**Lease**	**Total**
Airbus A-319	1	7	**8**	1	9	**10**
Airbus A-320	—	79	**79**	—	79	**79**
Airbus A-320N	—	45	**45**	—	41	**41**
Airbus A-330	1	2	**3**	1	5	**6**
Airbus A330F	—	7	**7**	—	6	**6**
Airbus A300F	3	—	**3**	3	—	**3**
Boeing 787-8	—	16	**16**	—	16	**16**
Boeing 767F	2	—	**2**	2	—	**2**
	7	**156**	**163**	**7**	**156**	**163**

1) There are 2 lease A330 aircraft of the 156 lease aircraft that consist of short-term and variable rent, and as a result, they are not reflected in the statement of financial position. (December 31, 2023: 5 lease A330 aircraft of the 156 lease aircraft).

For the nine-month period ended September 30, 2024, the Group finalized lease agreements for two A319 and four A330, also added one A330F, one A330 and four A320 NEO aircraft under leasing agreements.

(2) Basis of presentation of the Condensed Consolidated Interim Financial Statements

Professional Accounting Standards Applied

a) Statement of compliance

The accompanying Condensed Consolidated Interim Financial Statements as of and for the nine month and three-month period ended September 30, 2024, have been prepared in accordance with IAS 34 interim Financial Reporting and should be read in conjunction with the Group´s last annual consolidated financial statements as at and for the year ended December 31, 2023.

The Condensed Consolidated Interim Financial Statements as of and the three-month and nine-month period ended September 30, 2024, do not include all information and disclosures required in the annual financial statements. However, selected explanatory notes have been included to disclose events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the Consolidated Financial Statements for the year ended December 31, 2023.

The Group's condensed consolidated interim financial statements as of September 30, 2024, and for the three-month and nine-month periods ended September 30, 2024, were authorized by Management on November 7, 2024.

b) Going Concern

Upon approval of these condensed consolidated interim financial statements, management is confident that Group has sufficient resources and continues working on the Group's effective cost discipline and operational excellence, that will ensure Avianca's operational viability in both short and long term. Therefore, management continues to apply the going concern basis of accounting in the preparation of these condensed consolidated interim financial statements.

c) Fuel price Risk

For the execution of its operations, the Group purchases a fuel called Jet Fuel grade 54 USGC, which is subject to the fluctuations of international fuel prices. The Group's operations require a significant volume of jet fuel, and accordingly remains watchful of jet fuel price fluctuations.

Sensitivity analysis

Fuel price fluctuation impacts on profit and/or loss are illustrated below. This analysis shows the estimated impact for 2024 of a 5%, 10% and 15% increase in the underlying reference price per barrel at the end of September 30, 2024. The analysis is based on the historical fuel consumption. This analysis assumes that all other variables remain constant and considers the effect of changes in jet fuel price. An increase or decrease in the underlying reference price per barrel would represent a higher expense or lower expense, respectively.

	Effect in profit or loss							
	Nine months ended September 30,				**For the three months period from July 1 to September 30,**			
	2024		**2023**		**2024**		**2023**	
	Decrease	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**
5% movement	(37,773)	37,773	(53,985)	53,985	(6,956)	6,956	(29,219)	29,219
10% movement	(75,546)	75,546	(107,969)	107,969	(13,911)	13,911	(58,438)	58,438
15% movement	(113,320)	113,320	(161,954)	161,954	(20,867)	20,867	(87,658)	87,658

d) Basis of measurement

The Condensed Consolidated Interim Financial Statements have been prepared on a historical cost basis, excluding land and buildings (which are classified as administrative property), short-term investments that have been measured at FVPL and hedging instruments at FVOCI.

e) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed consolidated statement of financial position for the periods presented, are as follows.

September 30, 2024

Financial assets	Carrying amount measurement	Notes	Carrying amount	Fair value
Short-term Investments	Amortized cost	8	$ 150,310	$ 150,310
Short-term Investments	Fair value through other comprehensive income and amortized cost	8-17	58,112	58,112
Derivatives instruments	Fair value through other comprehensive income	24	1,980	1,980
Plan assets	Amortized cost		246	246
			$ 210,648	**$ 210,648**
Financial liabilities				
Short-term and long-term corporate debt	Amortized cost	16-17	**$ 2,534,759**	**$ 2,524,487**

December 31, 2023

Financial assets	Carrying amount measurement	Notes	Carrying amount	Fair value
Short-term Investments	Amortized cost	8	$ 206,583	$ 206,583
Short-term Investments	Fair value through other comprehensive income and amortized	8-17	50,970	50,970
Plan assets	Fair value through other comprehensive income		280,372	280,372
			$ 537,925	**$ 537,925**
Financial liabilities				
Short-term and long-term corporate debt	Amortized cost	16-17	**$ 2,287,658**	**$ 2,047,153**

The fair value of the financial assets and liabilities corresponds the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management considers that the carrying amount of financial assets and financial liabilities, excluding corporate debt, approximates fair value.

f) Functional and presentation currency

The Condensed Consolidated Interim Financial Statements are presented in US Dollars, which is the functional currency for each legal entity within the Group.

g) Use of judgments and estimates

The preparation of these Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, revisions to accounting estimates are recognized prospectively.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual financial statements as of and for the year ended December 31, 2023.

(3) Material accounting policies

The Group has consistently applied the same accounting policies as those applied in the Group´s consolidated financial statements as of and for the year ended December 31, 2023, except if mentioned otherwise.

(4) New and amended accounting standards

a. International Financial Reporting Standards ("IFRS") recently adopted

The Group has adopted the following accounting standards in preparing these condensed consolidate interim financial statements:

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (amendments to IAS 1)

The amendments to IAS 1 modify the requirement to classify a liability as current by establishing that a liability is classified as current when, at the end of the reporting period, it does not have the right to defer the settlement of the liability for at least the following 12 months. It further clarifies that the right of an entity to defer a liability settlement for at least 12 months after the reporting period must be substantial and exist as of the end of the reporting period.

As disclosed in note 16, the Group has debt contracts that are subject to specific covenants. While these liabilities are classified as non-current as of September 30, 2024, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates. The Group adopted the amendments effective on January 1, 2024 onwards, and the adoption did not have a material impact on the Group's condensed consolidated interim financial statements or related disclosures.

Lease liability in sale and leaseback (Amendments to IFRS 16)

The amendments to IFRS 16 “Leases” affect how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reevaluate and potentially restate sale and leaseback transactions made since 2019.

We adopted the amendments effective on January 1, 2024 onwards, and the adoption did not have a material impact on our condensed consolidated interim financial statements or related disclosures as the group does not currently engage in these types of transactions.

Supplier Finance arrangements (Amendments to IAS 7 and IFRS7)

The amendments to IAS 7 and IFRS 7 apply to supplier finance arrangements that have all the following characteristics: 1) A finance provider pays amounts a company (the buyer) owes its suppliers. 2) A company agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid. 3) The company is provided with extended payment terms or suppliers benefit from early

payment terms, compared with the related invoice payment due date and 4) The amendments do not apply to arrangements for financing receivables or inventory. We adopted the amendments effective on January 1, 2024 onwards, and the adoption did not have a material impact on our condensed consolidated interim financial statements or related disclosures as the group does not currently engage in these types of transactions.

b. New and revised International Financial Reporting Standards issued but not yet adopted.

The Group has not early adopted the following new or amended accounting standards in preparing these condensed consolidated interim financial statements. The management is assessing the impact of following new and amended accounting standards on the Group´s consolidated financial statements:

- Lack of Exchangeability (Amendments to IAS 21), this amendment is effective as of January 1, 2025.
- Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS7), this amendment is effective as of January 1, 2026.
- Annual improvements to IFRS Accounting Standards – Volume 11, this amendment is effective as of January 1, 2026.
- Presentation and Disclosure in Financial Statements (IFRS 18), this amendment is effective as of January 1, 2027.
- Subsidiaries without public accountability - Disclosures (IFRS 19), this amendment is effective as of January 1, 2027.

(5) Segment Information

The Group reports information by segments as established in IFRS 8, “Operating segments,” which requires an entity to report segment information in a manner that enables financial statement users to view the entity through the eyes of management. An operating segment is a component of an entity that engages in business activities for which discrete financial information is available and whose operating results are regularly reviewed by the entity’s chief operating decision maker, or CODM.

The Board of Directors is the CODM and monitors the operating results of the Group’s segments on the basis of the organization of the entity, which is based generally on the differences in services provided under each segment. The Group has two reportable segments that align with the operational reporting used by the CODM:

- Air Transportation: Corresponds to passenger and cargo operations including ancillaries and other revenues for scheduled flights and freight transport, respectively.

- Loyalty: Corresponds to the LifeMiles program, for the loyalty subsidiaries of the Group.

Corporate functions that are not specifically attributable to an individual reportable segment are presented as Corporate in the tables below.
Segment performance is evaluated based on statement of comprehensive income and is measured consistently with the Group’s consolidated financial statements. The Group’s operational information by reportable segment is as follows:

	For the nine months ended September 30, 2024				For the nine months ended September 30, 2023			
	Air transportation	**Loyalty**	**Corporate**	**Consolidated**	**Air transportation**	**Loyalty**	**Corporate**	**Consolidated**
Operating revenue								
Tickets	$ 2,366,701	$ —	$ —	$ 2,366,701	$ 2,096,926	$ —	$ —	$ 2,096,926
Ancillaries	684,606	—	—	684,606	650,119	—	—	650,119
Cargo & courier	487,752	—	—	487,752	509,704	—	—	509,704
Loyalty	—	234,524	—	234,524	—	205,173	—	205,173
Other	34,303	—	—	34,303	21,414	—	—	21,414
Total operating revenue	**3,573,362**	**234,524**	**—**	**3,807,886**	**3,278,163**	**205,173**	**—**	**3,483,336**
Operating expenses before depreciation and amortization	2,894,018	125,622	—	3,019,640	2,578,770	105,851	19,165	2,703,786
Other depreciation, amortization, impairment and right of use asset	343,262	11,534	30,579	385,375	293,266	9,773	39,538	342,577
Operating Income	**$ 336,082**	**$ 97,368**	**$ (30,579)**	**$ 402,871**	**$ 406,127**	**$ 89,549**	**$ (58,703)**	**$ 436,973**

For the nine months ended September 30, 2024 inter-segment operating revenues and inter-segment operating expenses between our air transportation and loyalty segments were $81,200 and $477, respectively (for the nine months ended September 30, 2023: $63,894 and $291). Inter-segment revenues are eliminated upon consolidation.

	For the three months between July 1 and September 30, 2024				For the three months between July 1 and September 30, 2023			
	Air transportation	**Loyalty**	**Corporate**	**Consolidated**	**Air transportation**	**Loyalty**	**Corporate**	**Consolidated**
Operating revenue								
Tickets	$ 877,633	$ —	$ —	$ 877,633	$ 811,460	$ —	$ —	$ 811,460
Ancillaries	235,905	—	—	235,905	243,872	—	—	243,872
Cargo and courier	155,391	—	—	155,391	155,350	—	—	155,350
Loyalty	—	86,345	—	86,345	—	65,116	—	65,116
Other	11,056	—	—	11,056	5,685	—	—	5,685
Total operating revenue	**1,279,985**	**86,345**	**—**	**1,366,330**	**1,216,367**	**65,116**	**—**	**1,281,483**
Operating expenses before depreciation and amortization	981,068	43,951	—	1,025,019	900,211	39,857	4,416	944,484
Other depreciation, amortization, impairment and right of use asset	129,938	3,784	10,273	143,995	107,735	3,307	13,269	124,311
Operating Income	**$ 168,979**	**$ 38,610**	**$(10,273)**	**$ 197,316**	**$208,421**	**$ 21,952**	**$(17,685)**	**$ 212,688**

For the three months between July 1 and September 30, 2024, inter-segment operating revenues and inter-segment operating expenses between our air transportation and loyalty segments were $31,835 and $143, respectively (for the three months between July 1 and September 30, 2023: $32,442 and $118). Inter-segment revenues are eliminated upon consolidation.

The Group's revenues by geographic area are as follows:

	For the nine months ended September 30,		For the three months between July 1 to September 30,	
	2024	**2023**	**2024**	**2023**
Colombia	$ 1,631,572	$1,507,816	$ 558,495	$ 550,026
North America (1)	751,978	711,506	276,998	266,592
Central America and the Caribbean	646,028	520,602	234,718	167,216
South America (ex-Colombia)	562,979	524,202	197,826	187,757
Europe	214,318	219,156	98,098	109,872
Other	1,011	54	195	20
Total operating revenue	**$ 3,807,886**	**$3,483,336**	**$ 1,366,330**	**$ 1,281,483**

(1) Include the United States for $580,125 (Nine months ended September 30, 2023: $576,186), Canada and Mexico.

The Group allocates revenues by geographic area based on a given point of sale of first flight's point of origin. Non-current assets are comprised primarily of aircraft and aeronautical equipment, which are used throughout different countries and are therefore not assignable to any geographic area. Any individual geographic region responsible for 10% or more of total operating revenue is presented separately.

(6) Seasonality

The results of operations for any interim period are not necessarily indicative of those for the entire year due to the fact that the business is subject to seasonal fluctuations. These fluctuations are the result of high vacation and leisure demand occurring during the northern hemisphere's summer season during the third quarter (principally in July and August) and again during the fourth quarter (principally in December) as well as in January.

The lowest levels of passenger traffic are typically concentrated in the months of February, March, and May (depending on whether the Easter holiday falls in March or April). Given the proportion of fixed costs, the group expect quarterly operating results to continue to fluctuate on a quarterly basis. This information is provided to improve the understanding of the Company's performance. However, management has concluded that this does not constitute "highly seasonal" as defined by IAS 34.

(7) Employee benefits

The Group provides certain post-employment benefits. These benefits are unfunded as of September 30, 2024. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit cost method. Actuarial gains and losses for defined benefit plans are recognized in full during the period in which they occur within other comprehensive income. The liability for employee benefits is as follows:

	September 30, 2024	December 31, 2023
Defined benefit plan	$ 70,870	$ 78,081
Other benefits - short term	101,089	118,879
Other benefits - long term	13,011	9,980
Total	**$ 184,970**	**$ 206,940**
Current (1)	115,058	135,749
Non-current	69,912	71,191
Total	**$ 184,970**	**$ 206,940**

(1) During the nine-month period ending September 30, 2024 the decrease corresponds primarily to payments of short term employee benefits.

CAXDAC Pension Plan Integration

In 1993 the pension plan in Colombia changed from a defined benefit plan to a defined contribution plan. The Colombian government defined a transition regime to maintain the conditions of pilots and co-pilots included in the pension plan prior to April 01, 1994, which transition regime is administered by CAXDAC. As a result, the Group´s obligation was recognized and regulated by Law 860 of 2003, Decree 2210 of 2004 and Decree 2210 of 2004 and Decree 1269 of 2009.

The CAXDAC pension situation as of September 30, 2024, for the components of Avianca S.A. and Tampa Cargo S.A.S is as follows:

- **Avianca S.A.**

As of December 31, 2023, the Group requested the approval of the actuarial calculation to the Superintendencia de Transporte in order to integrate the pension liability with CAXDAC for Avianca S.A. subsidiary; this approval was formalized for Avianca S.A., on January 26, 2024.

On January 29, 2024, Avianca S.A. obtained a certification from CAXDAC notifying Avianca S.A. of its satisfaction of legal liability under the pension plan. Consequently, the liability and asset plan were integrated, such that Avianca S.A. was released from this obligation to CAXDAC from that date. As of September 30, 2024, due the integration, the actuarial obligation and the fair value of the plan assets is $0 (December 31, 2023: $272,797 in plan assets and $272,797 in actuarial obligations).

As a result of the aforementioned above, during the nine months ended September 30, 2024, the reserve related to the actuarial gains and losses of the CAXDAC pension plan for $85,671 was reclassified from other comprehensive income ("OCI") to retained earnings under the scope of IAS 19.

- **Tampa Cargo S.A.S.**

The approval of the actuarial calculation to the Superintendencia de Transporte was requested on February 12, 2024 for the purpose of integrating the pension obligation.

On August 22, 2024, Tampa Cargo S.A.S. obtained a certification from CAXDAC notifying Tampa Cargo S.A.S. of its satisfaction of legal liability under the pension plan. Consequently, the liability and asset plan were integrated, such that Tampa Cargo S.A.S. was released from this obligation to CAXDAC from that date. As of September 30, 2024, due the integration, the actuarial obligation and the fair value of the plan assets is $0 (December 31, 2023: $7,326 in plan assets and $7,633 in actuarial obligations).

As a result of the aforementioned above, during the nine months ended September 30, 2024, the reserve related to the actuarial gains and losses of the CAXDAC pension plan for $1,271 was reclassified from other comprehensive income ("OCI") to retained earnings under the scope of IAS 19.

- **Other pension plans**

The other pension plans are measured using a discount rate based on the government bonds of each country in which the respective benefit plan is established.

As of September 30, 2024, the defined benefit liability is comprised of the present value of the defined benefit obligation using a discount rate based on government bonds for each country where the respective benefit plan is established, less the fair value of plan assets out of which the obligations are to be settled.

For the other pension liability plans and post-retirement medical benefits for the Group, the average discount rate was 10.34% on September 30, 2024 (December 31, 2023: 10.03%). The increase in the discount rate on the other pension plans were recognized in other comprehensive income.

Movements of actuarial valuation of employee benefits

The following table summarizes the components of net benefit expense recognized in other comprehensive income within the condensed consolidated statements of comprehensive income (loss) for the periods presented:

	Nine months ended September 30,		For the three months between July 1 to September 30,	
	2024	**2023**	**2024**	**2023**
Actuarial gains (losses) recognized in other comprehensive income	$ 821	$ (32,803)	$ (4,004)	$ (28,673)
Adjustment in return on plan assets	(335)	(7,021)	156	(14,546)
Income (losses) recognized in other comprehensive income	**$ 486**	**$ (39,824)**	**$ (3,848)**	**$ (43,219)**

(8) Cash and cash equivalents and Short-Term Investments

	September 30, 2024	December 31, 2023
Cash on hand and bank deposits	$ 882,303	$ 748,343
Cash equivalents (1)	12,006	19,204
Cash and cash equivalents	**$ 894,309**	**$ 767,547**
Short-Term investments (2)	$ 208,422	$ 257,553
Short-term investments	**$ 208,422**	**$ 257,553**

(1) As of September 30, 2024, investment funds accrued annual interest rates between 9.01% and 9.83% in Colombian pesos (December 31, 2023: 6.18% and 19.69%). The use of term deposits depends on the Group's cash requirements during the period. As of September 30, 2024 the Group presented in *deposits and other assets* $19,608 of restricted cash, pledged from its checking and saving accounts to fulfill collateral requirements according to the definition of demand deposit - IAS 7 (December 31, 2023: $16,311). The comparative period previously presented has been modified to reflect the classification of the current period. See note 11.

(2) The short-term classification corresponds to funds invested for terms of less than one year; investments correspond to term deposits and bonds constituted by trusts held by the Group.

As of September 30, 2024, the Group's cash and cash equivalents are free of restriction or charges that could limit its availability.

(9) Trade and other receivables

	September 30, 2024	December 31, 2023
Trade	$ 257,419	$ 246,612
Employee advances	3,711	4,450
Others	18,537	25,070
	279,667	**276,132**
Less estimate for expected credit losses (1)	(12,980)	(12,699)
Total	**$ 266,687**	**$ 263,433**

Trade receivables are non-interest bearing.

(1) The movement of provision for expected credit losses is as follows:

	September 30, 2024	December 31, 2023
Balance at beginning of year	$ 12,699	$ 8,736
Net (recovery) provision for expected credit losses (1.1)	281	3,963
Total	**$ 12,980**	**$ 12,699**

1.1 Includes expense for expected credit losses for the nine-months period ended September 30, 2024 for $2,600 (for the nine-months period ended September 30, 2023: $21.940).

(10) Balances and transactions with related parties

Company	Country	As of September 30, 2024		For the nine months ended September 30,		As of December 31, 2023		For the nine months ended September 30,	
		Account Receivables	Account Payables	Revenues	Expenses	Account Receivables	Account Payables	Revenues	Expenses
Investment Vehicle 1 Limited	Cayman Islands	$ 123,899	$ 489	$ 8,822	$ —	$ 112,879	$ —	$ 5,785	$ —
Abra Group Limited	Gran Bretaña	5,939	—	—	—	4,744	—	—	—
Others		—	385	—	1,377	—	79	—	566
Total		**$ 129,838**	**$ 874**	**$ 8,822**	**$ 1,377**	**$ 117,623**	**$ 79**	**$ 5,785**	**$ 566**

	September 30, 2024		December 31, 2023	
	Account Receivables	Account Payables	Account Receivables	Account Payables
Short term	$ 8,431	$ 874	$ 4,897	$ 79
Long term (1)	121,407	—	112,726	—
Total related parties	**$ 129,838**	**$ 874**	**$ 117,623**	**$ 79**

(1) Avianca Group International Limited (AGIL) entered into an intercompany agreement with Investment Vehicle 1 Limited (IV1) in April 2022 for a total amount of US$121,407 ($97,800 initial loan and $23,607 for amortization and interest capitalization). This intercompany loan has a term of five years, the interest for which to be capitalized on and added to the outstanding balance, to be paid on the maturity date.

Key management personnel compensation expense

	For the Nine months ended September 30,		For the three months between July 1 to September 30,	
	2024	**2023**	**2024**	**2023**
Salaries/Bonuses	$ 27,624	$ 28,133	$ 6,134	$ 5,714
Benefits/Social Charges	3,142	3,182	829	873
Total	**$ 30,766**	**$ 31,315**	**$ 6,963**	**$ 6,587**

(11) Deposits and other assets

	September 30, 2024	**December 31, 2023**
Short-term:		
Deposits with lessors	$ 4,627	$ 2,809
Guarantee deposits	10,051	15,069
Commission	14,808	13,447
Restricted cash (1)	12,851	10,794
Others	397	14,836
Subtotal	**$ 42,734**	**$ 56,955**
Fair value of derivative instruments (2)	1,980	—
Total	**$ 44,714**	**$ 56,955**
Long-term:		
Deposits with lessors	$ 61,842	$ 64,487
Guarantee deposits	19,763	21,123
Labor lawsuits	29,770	25,369
Restricted cash (1)	6,757	5,517
Others	227	146
Long term investments	7,638	7,696
Subtotal	**125,997**	**124,338**
Total	**$ 170,711**	**$ 181,293**

(1) As of September 30, 2024 the Group maintain $19,608 of restricted cash, pledged from its checking and saving accounts to fulfill collateral requirements classified as *deposits and other assets* according to the definition of demand deposit – IAS 7 (December 31, 2023: $16,311). The comparative period previously presented has been modified to reflect the classification of the current period. See note 8.

(2) As of September 30, 2024, include collateral receivables pending to recover in relation to hedge instruments further described in note 24.

(12) Assets held for sale

	September 30, 2024	December 31, 2023
Airbus aircraft	$ 732	$ 10,743
Total assets held for sale	**$ 732**	**$ 10,743**

As of September 30, 2024, the Group classified as held for sale two (2) aircraft, A330-F. (December 31, 2023: three (3) aircraft, A330-F). During the nine months ended September 30, 2024 1 of the 3 aircraft A330-F previously classified as held for sale does not meet the criteria stated by IFRS 5.7 and consequently has been reclassified to property and equipment (see note 13).

(13) Property and equipment, net

	Flight Equipment	Capitalized Maintenance	Rotable Spare parts	PDPs	Administrative Property	Other property and equipment	Total
Cost							
December 31, 2023	**$ 171,810**	**$ 240,539**	**$ 222,343**	**$ 106,986**	**$ 114,995**	**$ 125,058**	**$ 981,731**
Additions	121,221	149,693	41,812	12,347	—	4,970	330,043
Revaluation	—	—	—	—	(207)	—	(207)
Disposals	—	(84)	(7,774)	—	(8)	(1,899)	(9,765)
Transfers	3,493	(469)	(3,857)	—	—	833	—
Transfers from assets held for	52,555	—	—	—	—	—	52,555
Reclassification to lease asset	(41,068)	—	(17,439)	—	—	—	(58,507)
September 30, 2024	**$ 308,011**	**$ 389,679**	**$ 235,085**	**$ 119,333**	**$ 114,780**	**$ 128,962**	**1,295,850**
Accumulated depreciation:							
December 31, 2023	**$ 15,359**	**$ 5,991**	**$ 16,127**	**$ —**	**$ 3,046**	**$ 41,693**	**$ 82,216**
Additions	8,474	21,531	9,164	—	1,646	8,811	49,626
Disposals	—	(84)	(3,764)	—	—	(1,615)	(5,463)
Transfers	178	—	(178)	—	—	—	—
Transfers from assets held for	42,555	—	—	—	—	—	42,555
Reclassification to lease asset	(5,566)	—	(290)	—	—	—	(5,856)
September 30, 2024	**$ 61,000**	**$ 27,438**	**$ 21,059**	**$ —**	**$ 4,692**	**$ 48,889**	**163,078**
Net balances:							
December 31, 2023	**$ 156,451**	**$ 234,548**	**$ 206,216**	**$ 106,986**	**$ 111,949**	**$ 83,365**	**$ 899,515**
September 30, 2024	**$ 247,011**	**$ 362,241**	**$ 214,026**	**$ 119,333**	**$ 110,088**	**$ 80,073**	**$ 1,132,772**

	Flight Equipment	Capitalized Maintenance	Rotable Spare parts	Reimbursement of predelivery	Administrative Property	Other property and equipment	Total
Cost							
December 31, 2022	**$ 134,704**	**$ 98,137**	**$ 214,207**	**$ 88,687**	**$ 97,573**	**$ 105,027**	**$ 738,335**
Additions	41,044	107,113	44,182	11,882	—	8,963	213,184
Disposals	(14,265)	(9,802)	(18,175)	—	—	(8,816)	(51,058)
Revaluation	—	—	—	—	27	—	27
Transfers	28,284	2,490	(24,371)	(1,000)	(5,404)	1	—
September 30, 2023	**$ 189,767**	**$ 197,938**	**$ 215,843**	**$ 99,569**	**$ 92,196**	**$ 105,175**	**900,488**
Accumulated depreciation:							
December 31, 2022	**$ 11,384**	**$ 133**	**$ 10,555**	**$ —**	**$ 1,419**	**$ 28,392**	**$ 51,883**
Additions	3,627	13,065	6,986	—	1,176	10,545	35,399
Disposals	(3,290)	(9,832)	(3,587)	—	—	(4,786)	(21,495)
Transfers	2,926	(2,387)	(630)	—	—	5	(86)
September 30, 2023	**$ 14,647**	**$ 979**	**$ 13,324**	**$ —**	**$ 2,595**	**$ 34,156**	**65,701**
Net balances:							
December 31, 2022	**$ 123,320**	**$ 98,004**	**$ 203,652**	**$ 88,687**	**$ 96,154**	**$ 76,635**	**$ 686,452**
September 30, 2023	**$ 175,120**	**$ 196,959**	**$ 202,519**	**$ 99,569**	**$ 89,601**	**$ 71,019**	**$ 834,787**

(14) Intangible asset and goodwill, net

	September 30, 2024	December 31, 2023
Trademarks	$ 644,141	$ 644,141
Customer Relationships & Routes	506,642	526,104
Software & Webpages	83,753	89,853
Agreements (Codeshare and Star Alliance)	52,404	57,871
Slots	9,506	9,506
Subtotal	**1,296,446**	**1,327,475**
Goodwill	1,524,638	1,524,638
Total intangible asset	**$ 2,821,084**	**$ 2,852,113**

The following provides detail on intangible assets and goodwill as of September 30, 2024:

	Goodwill	Customer Relationships & Routes	Agreements (Codeshare and Star Alliance)	Trademarks	Software & Webpages	Slots	Total
Cost:							
December 31, 2023	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 157,259**	**$ 9,506**	**$ 3,000,579**
Additions	—	—	—	—	18,958	—	18,958
September 30, 2024	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 176,217**	**$ 9,506**	**$ 3,019,537**
Accumulated Amortization:							
December 31, 2023	**$ —**	**$ 65,906**	**$ 15,154**	**$ —**	**$ 67,406**	**$ —**	**$ 148,466**
Amortization for the period	—	19,462	5,467	—	25,058	—	49,987
September 30, 2024	**$ —**	**$ 85,368**	**$ 20,621**	**$ —**	**$ 92,464**	**$ —**	**$ 198,453**
Carrying Amounts:							
December 31, 2023	**$ 1,524,638**	**$ 526,104**	**$ 57,871**	**$ 644,141**	**$ 89,853**	**$ 9,506**	**$ 2,852,113**
September 30, 2024	**$ 1,524,638**	**$ 506,642**	**$ 52,404**	**$ 644,141**	**$ 83,753**	**$ 9,506**	**$ 2,821,084**

The following provides detail on intangible assets and goodwill as of September 30, 2023:

	Goodwill	Customer Relationships & Routes	Agreements (Codeshare and Star Alliance)	Trademarks	Software & Webpages	Slots	Total
Cost:							
December 31, 2022	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 135,298**	**$ 9,506**	**$ 2,978,618**
Additions	—	—	—	—	14,493	—	14,493
September 30, 2023	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 149,791**	**$ 9,506**	**$ 2,993,111**
Accumulated Amortization:							
December 31, 2022	**$ —**	**$ 42,297**	**$ 7,852**	**$ —**	**$ 35,282**	**$ —**	**$ 85,431**
Amortization for the period	—	29,084	5,462	—	24,012	—	58,558
September 30, 2023	**$ —**	**$ 71,381**	**$ 13,314**	**$ —**	**$ 59,294**	**$ —**	**$ 143,989**
Carrying Amounts:							
December 31, 2022	**$ 1,524,638**	**$ 549,713**	**$ 65,173**	**$ 644,141**	**$ 100,016**	**$ 9,506**	**$ 2,893,187**
September 30, 2023	**$ 1,524,638**	**$ 520,629**	**$ 59,711**	**$ 644,141**	**$ 90,497**	**$ 9,506**	**$ 2,849,122**

As of September 30, 2024, the Group maintains two CGU´s: air transportation CGU and loyalty CGU which are also the Group's operating and reporting segments. As of September 30, 2024, no indications of impairment have been identified for CGU´s, which require a new impairment test to be carried out.

As of December 31, 2023, in accordance with the accounting policy, the Group performed the annual impairment test. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the air transportation CGU and loyalty CGU which are also the Group's operating and reporting segments.

The carrying amount of goodwill and intangible assets with indefinite useful life allocated to the Group's air transportation and loyalty CGUs are as follows:

	September 30, 2024	December 31, 2023
Goodwill	1,524,638	1,524,638
Trademarks	644,141	644,141
Routes	94,949	94,949
Slots	9,506	9,506

As of December 31, 2023, the Group performed the impairment test and did not identify any indicators of impairment associated with the above assets.

(15) Leases

The Group leases certain aircraft under long-term lease agreements with an average duration of 8 years. Certain of the Group´s aircraft operating leases contain renewal clauses that may be exercised based on the Group´s business plan. Renewal clauses are considered in determining the lease term only when it is reasonably certain to be exercised.

Other leased assets include real estate, airport, terminal facilities, and general offices. Most other lease agreements include renewal options, and some include escalation clauses, but none include purchase options.

Information about leases for which the Group is a lessee is presented below:

Right of use assets

As of September 30, 2024 the Group presented in a separated line the Right of use of aircraft, engines and other property for $2,995,521 in the condensed consolidated statement of financial position as "Right of use assets" that was previously presented as part of the "Property and equipment". The comparative periods (December 31, 2023: $2,933,247) has been modified to reflect the classification of the current period.

	Aircraft	Return conditions	Real estate	Total
Balance As of December 31, 2023	**$ 2,317,399**	**$ 534,307**	**$ 81,541**	**$ 2,933,247**
Additions	197,774	37,778	7,680	243,232
Transfer	4,266	(4,266)	—	—
Modification of leases	174,502	(61,565)	—	112,937
Depreciation expense	(235,162)	(49,158)	(9,575)	(293,895)
Balance As of September 30, 2024	**$ 2,458,779**	**$ 457,096**	**$ 79,646**	**$ 2,995,521**

Additions and amendments of the right-of-use assets include new leases, contract extensions, changes in discount rate and changes in rental payments. The additions during the nine-month period ended September 30, 2024 are primarily related to: $153,011 for recognition of the aircraft leasing of four (4) aircraft A320N and one (1) A330F, $6,880 for recognition of the leasing of one (1) engine, $37,778 for the recognition of the return conditions provision of four (4) aircraft A320N and one (1) engine, and $7,680 for leasing of other assets. The modifications of leases during the nine-month period ending September 30, 2024 are related to: $174,502 for amendment of eleven (11) A320 and two (2) A330F aircraft contracts and $(61,565) of provision for return conditions write off of ten (10) A320 aircraft and one (1) A330F contracts renegotiated.

	Aircraft	Return conditions	Real estate	Total
Balance As of December 31, 2022	**$ 1,506,208**	**$ 406,215**	**$ 73,034**	**$ 1,985,457**
Additions	896,033	133,151	10,049	1,039,233
Depreciation expense	(176,405)	(57,091)	(5,774)	(239,270)
Balance As of September 30, 2023	**$ 2,225,836**	**$ 482,275**	**$ 77,309**	**$ 2,785,420**

Additions and amendments of the right-of-use assets include new leases, contract extensions, changes in discount rate and changes in rental payments. The additions during the nine-month period ended September 30, 2023 are primarily related to: $848,227 for recognition of the aircraft leasing of twenty nine (29) aircraft A320 and six (6) B787, and five (5) spare engines, $152,522 for the recognition of the return conditions provision of twenty seven (27) A320, four (4) B787 and three (3) engines, and $10,049 for leases of other assets.

Lease liabilities

As of September 30, 2024 the Group presented in a separated line the lease liability of aircraft, engines and other property for $2,655,095 in the condensed consolidated statement of financial position as "Right of use liability" that was previously presented as part of the "Short-term borrowings and long-term debt". The comparative periods (December 31, 2023: $$2,483,952 has been modified to reflect the classification of the current period.

	September 30, 2024	December 31, 2023
Current portion of lease liability		
Aircraft	$ 271,685	$ 258,010
Real estate	7,902	11,350
	279,587	**269,360**
Long-term lease liability		
Aircraft	2,315,738	2,154,280
Real estate	59,770	60,312
	2,375,508	**2,214,592**
Total lease liabilities	**$ 2,655,095**	**$ 2,483,952**

Provisions for return conditions

For certain operating leases, the Group is obligated to return aircraft in a contractually predefined condition. The Group records a provision to account for the cost to be incurred to return said leased aircraft to the lessor in the agreed-upon condition, which is capitalized within the right-of-use asset and recognized as a liability for return condition.

Provisions for return conditions are as follows:

	September 30, 2024	December 31, 2023
Current	$ —	$ 8,098
Non-current	825,677	807,294
Total	**$ 825,677**	**$ 815,392**

Changes in provisions for return conditions are as follows:

	September 30, 2024	December 31, 2023
Opening balance	$ 815,392	$ 559,508
Recognition of provisions	37,778	186,940
Recovery of provisions (1)	(61,565)	—
Present value adjustment	42,171	69,341
Provision used	(8,099)	(397)
Total provision for return conditions	**$ 825,677**	**$ 815,392**

(1) During the nine-month period ending September 30, 2024, the group recognize the write-off return condition provision for ten (10) A320 and one (1) A330F aircraft associated to renegotiation of the contracts.

Future aircraft and engines lease payments

Under IFRS 16, the right of use of an identifiable asset granted to the Group through a lease agreement is recorded as a right-of-use asset within the consolidated statement of financial position. A lease liability is also recorded at lease inception and represents the present value of the minimum payments required under the lease agreement.

The Group has one hundred fifty-six (156) aircraft that are under leases, two (2) of them consist in short-term and variable rent leases and one hundred fifty-four (154) corresponds to right of use assets for an average lease term of 96 months. Leases can be renewed, in accordance with the Group´s business plan. The following is the summary of the future commitments of leases as of September 30, 2024, all amounts are gross and undiscounted:

	Aircraft
Less than one year	$ 512,312
Between one and five years	1,909,893
More than five years	1,345,117
	$ 3,767,322

Avianca Group International has eleven (11) spare engines that are under leases to support its aircraft fleet of A320, A320 NEO, A319 and A321. The following is the summary of the future commitments of leases as of September 30, 2024, all amounts are gross and undiscounted:

		Spare Engines
Less than one year	$	19,073
Between one and five years		58,459
More than five years		42,362
	$	**119,894**

The value of payments recognized as expenses during the periods presented are as follows:

	For the Nine months ended September 30,		For the three months period from July 1 to September 30,	
	2024	**2023**	**2024**	**2023**
Variable lease payments	43,641	90,799	15,979	25,849
Leases of low-value assets	19,864	245	790	240
Total	**63,505**	**91,044**	**16,769**	**26,089**

The following future payments include interest accrued on lease liabilities for the periods presented. All amounts are gross and undiscounted.

Aircraft and engines lease liabilities

September 30, 2024

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	263,778	278,920	348,198	265,555	316,400	1,106,746	**2,579,597**
Interest	267,607	238,938	206,817	173,016	140,508	280,733	**1,307,619**

December 31, 2023

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	248,562	267,669	277,493	267,268	238,826	1,103,025	**2,402,843**
Interest	248,514	222,344	194,128	165,386	125,076	325,710	**1,281,158**

Other lease Liabilities

September 30, 2024

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	11,243	9,435	5,623	3,730	3,013	27,451	**60,495**
Interest	4,567	3,941	3,174	2,779	2,499	9,890	**26,850**

December 31, 2023

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	10,272	6,808	7,093	3,919	2,994	28,099	**59,185**
Interest	6,150	4,074	3,429	9,468	2,557	11,561	**37,239**

Changes in liabilities derived from lease financing activities at September 30, 2024

	January 1, 2024	New Leases (1)	Financial cost	Payments	Interest Payments	Others	September 30, 2024
Aircraft and engines rentals - lease liabilities	$ 2,412,290	$ 336,013	$ 203,927	$ (184,982)	$ (205,380)	$ 25,554	$ 2,587,422
Other rentals - lease liabilities	71,662	6,987	3,935	(8,462)	(3,605)	(2,844)	67,673
Total lease liabilities from financing activities	**$ 2,483,952**	**$ 343,000**	**$ 207,862**	**$ (193,444)**	**$ (208,985)**	**$ 22,710**	**$ 2,655,095**

(1) The main additions in aircraft and engine rentals for the nine months ended September 30, 2024, correspond primarily to: $153,011 for four (4) aircraft A320N, one (1) A330F, $6,880 for one (1) engine, $174,530 for the effect for aircraft contracts amendment of eleven (11) A320 and two (2) A330F and $1,592 for additions of incremental rent, and $ 6,987 for other rentals.

Changes in liabilities derived from lease financing activities at September 30, 2023

	January 1, 2023	New Leases (1)	Financial cost	Payments	Interest Payments	Others	Reclassifications	September 30, 2023
Aircraft and engines rentals - lease liabilities	$ 1,554,702	$ 881,818	$ 151,716	$ (132,886)	$ (125,972)	$ (482)	$ (11,986)	$ 2,316,910
Other rentals - lease liabilities	42,889	2,163	4,274	(2,765)	(2,544)	10,195	—	54,212
Total lease liabilities from financing activities	**$ 1,597,591**	**$ 883,981**	**$ 155,990**	**$ (135,651)**	**$ (128,516)**	**$ 9,713**	**$ (11,986)**	**$2,371,122**

(1) The main additions in aircraft rentals for the nine months ended September 30, 2023, correspond primarily for the lease liability of of twenty-nine (29) aircraft A320, six (6) B787 and three engine and additions of incremental rent.

(16) Debt

	September 30, 2024	December 31, 2023
Current portion of long-term debt	$ 224,753	$ 206,817
Long-term debt	2,310,006	2,080,841
	$ 2,534,759	**$ 2,287,658**

Terms and conditions of the Group's outstanding obligations for the periods presented is as follows:

			September 30, 2024	
	Due through	Weighted average interest rate	Nominal Value	Carrying Amount
Long-term debt	2030	9.41%	$ 2,555,014	$ 2,534,759
Total			**$ 2,555,014**	**$ 2,534,759**

			December 31, 2023	
	Due through	Weighted average interest rates	Nominal value	Carrying Amount
Long-term debt	2030	9.41%	$ 2,431,027	$ 2,287,658
Total			**$ 2,431,027**	**$ 2,287,658**

Bank guarantees

In order to comply with certain contractual or operating obligations, as of September 30, 2024, the Group has a total of $22,044 (December 31, 2023: $20,244), in guarantees issued through financial entities. These guarantees are issued in favor of third parties.

Abra's Pledge of IV1L Shares

As of the date of these condensed consolidated financial statements, IV1L, AGIL's sole shareholder (see note 23), is a wholly-owned subsidiary of Abra. Abra has pledged all of its ordinary shares of IV1L as collateral securing Abra's senior secured notes due 2028 and senior secured exchangeable notes due 2028. For a specified period of time, Abra has entered into a forbearance agreement with certain noteholders with respect to specified events of

default. Certain of the debt instruments and aircraft leases of IV1L's subsidiaries, including, among others, the Tranche A-1 Senior Notes and the Tranche A-2 Senior Notes (together, the "Exit Notes") issued by Avianca Midco 2 PLC ("Midco 2"), contain change of control provisions that may be triggered if the pledged IV1L shares were foreclosed upon by Abra's noteholders. In the event of a change of control (as defined in the indentures with respect to the Exit Notes) that results in a specified decline in the ratings of the Exit Notes, Midco 2 would be required to offer to repurchase the Exit Notes at a price of 101% of the outstanding principal amount.

Debt collaterals

Certain Group obligations under short-term loans and long-term debt for $2,534,759 (December 31, 2023: $2,287,658) was secured by a substantial portion of our assets, including, (i) shares of substantially all of our operating subsidiaries, (ii) security over certain aircraft, engines and spare parts, (iii) a lien on the Avianca administrative building located in Bogotá, Colombia, (iv) security over slots at certain airports, (v) certain credit card and cargo receivables, (vi) cash and cash equivalents pledged in deposit or security accounts and (vii) certain intellectual property rights, and (viii) and all tangible and intangible assets of LifeMiles Ltd. and its subsidiaries.

Covenants

Our debt facilities contain certain covenants limiting our ability to, among other things, make certain types of restricted payments, incur debt and operating leases beyond specified thresholds, grant liens, merge or consolidate with others, dispose of assets, enter into certain transactions with affiliates, engage in certain business activities or make certain investments, in all cases subject to customary baskets and exclusions. In terms of financial covenants, the Group is required to maintain a consolidated cash balance of no less than $400 million and Lifemiles Ltd. a total net leverage ratio below 4.00:1.00. As of September 30, 2024, the Group has complied with all financial and non-financial covenants outlined in its contracts.

Lifemiles Ltd Debt.

Lifemiles Ltd. has secured an additional $100,000 under its existing loan agreement with Morgan Stanley, the Administrative Agent. The increase is provided under the same terms and conditions as previously agreed in the original loan contract, including interest rates and repayment schedule.

USAVFLOW II limited financing

On September 10, 2024, the Company raised up to $200,000 through a 5-year loan facility and true-sale securitization, under which certain credit card receivables were sold by Taca International Airlines S.A. and Aerovías del Continente Americano S.A. (Avianca S.A.) to a special purpose vehicle (SPV). This facility is the successor to the USAVFlow facility, which was prepaid in July 2023.

Future payments on long-term debt

The following future payments including interests in long–term debt for the period ended September 30, 2024. All amounts are gross and undiscounted and include contractual interest payments while excluding the impact of netting agreements.

September 30, 2024

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 136,830	$ 122,627	$ 385,029	$ 70,029	$ 1,786,366	**$ 2,500,881**
Interest	$ 197,832	$ 217,140	$ 197,653	$ 165,623	$ 83,341	**$ 861,589**

December 31, 2023

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 177,246	$ 72,115	$ 259,469	$ 27,960	$ 1,753,689	**$ 2,290,479**
Interest	$ 208,376	$ 190,654	$ 179,112	$ 158,358	$ 159,484	**$ 895,984**

Changes in liabilities derived from financing activities at September 30, 2024

	January 1, 2024	New Loans (1)	Financial cost	Payments (3)	Interest Payments	Others	Reclassifications	Transaction cost (2)	September 30, 2024
Current portion of long-term debt	$ 206,817	$ —	$ 166,938	$ (89,788)	$ (119,642)	$ (441)	$ 60,869	$ —	$ 224,753
Non-current portion of long-term debt	2,080,841	300,000	—	—	—	—	(60,869)	(9,966)	2,310,006
Total	**$ 2,287,658**	**$300,000**	**$ 166,938**	**$ (89,788)**	**$ (119,642)**	**$ (441)**	**$ —**	**$ (9,966)**	**$ 2,534,759**

(1) In September 2024, Taca International Airlines S.A. and Avianca S.A. entered into a debt agreement for a total of $200,000 for a period of five years. Additionally, a $100,000 loan was obtained from LifeMiles Ltda. under similar terms.
(2) As part of the new loans, the companies incurred in transaction costs, according to the definition of IFRS 9, for $7,118 for Taca International Airlines S.A. and Avianca S.A. and $2,849 for LifeMiles Ltda.
(3) The difference between these payments and the payments in the condensed consolidated statement of cash flows corresponds to payments with miles for $2,003.

Changes in liabilities derived from financing activities at September 30, 2023

	January 1, 2023	New Loans (1)	Financial cost	Payments (2)	Interest Payments	Others	Reclassifications	September 30, 2023
Short term loans	$ 6,303	$ —	$ 76	$ (6,303)	$ (76)	$ —	$ —	$ —
Current portion of long-term debt	74,110	11,500	163,401	(104,631)	(125,281)	(263)	71,005	89,841
Non-current portion of long-term debt	2,306,831	—	—	—	—	381	(59,019)	2,248,193
Total	**$ 2,387,244**	**$ 11,500**	**$ 163,477**	**$(110,934)**	**$(125,357)**	**$ 118**	**$ 11,986**	**$ 2,338,034**

(1) Corresponds to a new loan, at a fixed rate of 13%, to enable the Group to complete a densification project for $11,500.
(2) The difference between these payments and the payments in the condensed consolidated statement of cash flows corresponds to payments with miles for $2,003.

(17) Fair value measurements

The following table provides the fair value measurement hierarchy of the Group's assets for period specified:

As of September 30, 2024

Quantitative disclosures of fair value measurement hierarchy for assets:

	Fair value measurement using			
Assets measured at fair value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Short-term Investments	$ —	58,112	—	$ 58,112
Derivatives instruments (note 24)	$ —	1,980	—	$ 1,980
Revalued administrative property (note 13)	$ —	—	110,088	$ 110,088

Quantitative disclosures of fair value measurement hierarchy for liabilities:

	Fair value measurement using			
Liabilities measured at fair value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Short–term borrowings and long–term debt	$ —	2,524,487	—	$ 2,524,487

As of December 31, 2023

Quantitative disclosures of fair value measurement hierarchy for assets:

	Fair value measurement using			
Assets measured at fair value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets of the benefits plan	$ —	280,372	—	$ 280,372
Airbus aircraft held for sale (note 12)	$ —	10,743	—	$ 10,743
Short-term Investments	$ —	50,970	—	$ 50,970
Revalued administrative property (note 13)	$ —	—	111,949	$ 111,949

Quantitative disclosures of fair value measurement hierarchy for liabilities:

	Fair value measurement using			
Liabilities measured at fair value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Short–term borrowings and long–term debt	$ —	2,047,153	—	$ 2,047,153

Fair values hierarchy

The different levels have been defined as follows:

Level 1	Observable inputs such as quoted prices in active markets.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized within the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in hierarchy by re–assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

(a) The fair value of financial assets which changes in OCI is determined by reference to the present value of future principal and interest cash flows, discounted at a market based on interest rate at the reporting date.

(b) The Group uses the revaluation model to measure the value of its land and buildings, which are comprised of administrative properties. Management has determined that this constitutes one class of asset under IAS 16 based on the nature, characteristics, and risks of the property. Property fair values were determined using market comparable methods. This means that valuations performed by appraisers are based on active market prices, adjusted for differences in the nature, location, or condition of the specific property. The Group engaged accredited independent appraisers to determine the fair value of its land and buildings.

Valuation techniques and significant unobservable inputs

(1) The following table shows the valuation technique used to measure the fair value for the periods presented:

Administrative Property

Country	Valuation technique
San Salvador, El Salvador	Market comparison approach: a method of valuing property based on the criteria of a market survey conducted within the area of the administrative property, a survey of the land, consideration of future uses within the area, location, degree of urbanization, and other characteristics of the environment that allow us to establish the value of the property.
Bogotá, Colombia	Market comparison approach: a method of assessing property by analyzing the prices of similar properties sold in the past and then making adjustments based on differences between the properties and the relative age of the other sale.

Short- term investments

Valuation technique
Income approach: The fair value of short-term investments is determined by reference to the present value of future principal and interest cash flows, discounted at a market based interest rate at the reporting date

Airbus aircraft and engines held for sale

Valuation technique
The fair value of assets held for sale is determined by reference of a potential bid price at the reporting date.

Short–term borrowings and long–term debt

Valuation technique
The fair value of short–term borrowings and long–term debt is determined by reference to the present value of future principal and interest cash flows, discounted at a market based interest rate at the reporting date

(2) The following tables present qualitative information of significant unobservable inputs and sensitivity analysis of changes in hypothetical significant unobservable inputs to valuation model used in Level 3 fair value measurement for the periods presented.

	Fair value on September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Revalued administrative property	$ 110,088	Market comparison approach	Monthly rental value per square meter (El Salvador)	$ 20.00	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (El Salvador)	$ 585.00	The higher the square vara price, the higher the fair value
			Monthly rental value per square meter (Colombia)	$ 16.00	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (Colombia)	$ 2,666.00	The higher the square vara price, the higher the fair value

			Appreciation or depreciation of Colombian peso against US Dollar	9.00%	The higher appreciation of Colombian peso against US Dollar, the higher the fair value

	Fair value on December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Revalued administrative property	$ 111,949	Market comparison approach	Monthly rental value per square meter (El Salvador)	$ 20.00	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (El Salvador)	$ 585.00	The higher the square vara price, the higher the fair value
			Monthly rental value per square meter (Colombia)	$ 16.00	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (Colombia)	$ 2,666.00	The higher the square vara price, the higher the fair value
			Appreciation or depreciation of Colombian peso against US Dollar	21%	The higher appreciation of Colombian peso against US Dollar, the higher the fair value

(18) Income tax expense and other taxes

	September 30, 2024	December 31, 2023
Current income tax – assets	$ 176,826	$ 126,089
Other current taxes		
Current VAT – assets	47,386	48,411
Other current taxes	25,365	21,652
Total other current taxes	72,751	70,063
Total current taxes – assets	**249,577**	**196,152**
Current income tax – liabilities	(27,427)	(25,523)
Others	(9,117)	(11,519)
Total Current income tax – liabilities	**$ (36,544)**	**$ (37,042)**

Income tax expense for the nine-month period ended September 30, 2024, is comprised of the following:

Condensed Consolidated statement of comprehensive income

	For the nine months ended September 30,		For the three months period from July 1 to September 30,	
	2024	2023	2024	2023
Current income tax:				
Current income tax charge	$ (27,891)	$ (30,095)	$ (8,435)	$ (13,262)
Deferred tax expense:				
Relating to origination and reversal of temporary differences	3,489	22,184	255	14,476
Income tax expense reported in the income statement	**$ (24,402)**	**$ (7,911)**	**$ (8,180)**	**$ 1,214**

In addition to the amount charged to income or loss, the following amounts relating to tax have been recognized in other comprehensive income:

	For the nine months ended September 30,		For the three months period from July 1 to September 30,	
	2024	**2023**	**2024**	**2023**
Items that will not be reclassified to income or loss in future periods - Remeasurements of defined benefit	**63**	**1,716**	**—**	**1,757**

Changes in deferred tax assets and deferred tax liabilities

	For the nine months ended September 30,	
	2024	**2023**
Deferred tax assets		
As of December 31	**$ 45,444**	**$ 27,397**
Recognized as income	809	12,128
Recognized in other comprehensive income	63	1,710
Exchange differences	(40)	185
Total Deferred tax assets as of	**$ 46,276**	**$ 41,420**

	For the nine months ended September 30,	
	2024	**2023**
Deferred tax liabilities		
As of December 31	**$ (136,045)**	**$ (155,681)**
Recognized as income and (loss)	2,680	10,056
Recognized in other comprehensive income	—	6
Exchange differences	—	837
Total Deferred tax liabilities	**$ (133,365)**	**$ (144,782)**

Taxation for the different jurisdictions is calculated at the following rates:

Country	Applicable tax rate
Colombia (*)	35%
United Kingdom	25%
Brazil	34%

Chile	27%
Costa Rica (**)	30%
Ecuador	28%
El Salvador	30%
Guatemala	25%
Honduras	25%
México	30%
Nicaragua	30%
Panamá	25%
United States	21%

(*) Avianca S.A. subscribed a legal stability contract which sets a tax rate of 33% for this company only.

(**) LifeMiles, Ltd. operates under a special tax regime with a tax rate 0%.

Uncertainty over income tax treatments

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessments of many factors, including interpretations of tax law and prior experience. There are no uncertainties over income tax treatments with adverse impacts for the Group identified in the assessments performed.

Global minimum top-up tax

On October 8th, 2021, 136 countries reached an agreement for an international tax reform. The agreement proposes two pillars. The first pillar is about how to divide taxing rights between countries. The second pillar is about how to ensure that multinational enterprises pay a minimum level of tax. The Pillar Two Global Anti-Base.
Erosion Model Rules propose four new taxing mechanisms. These mechanisms would ensure that multinational enterprises pay a minimum level of tax. These mechanisms include:

1. The "subject to tax" rule, which proposes a minimum tax on certain cross-border intercompany transactions that are not subject to a minimum level of tax.
2. The "income inclusion" rule, which proposes a minimum tax on the income arising in each jurisdiction in which the Group operates.
3. The "undertaxed profits" rule, which proposes a minimum tax on certain cross-border payments that are subject to tax but taxed at a low rate.
4. The "qualified domestic minimum top-up tax", which generally proposes a minimum tax on the income arising in each jurisdiction in which the Group operates.

Although the Group operates in several jurisdictions, the UPE (Ultimate Parent Entity) has been determined to be in the United Kingdom. The UK has already enacted legislation to implement the global minimum top-up tax. The Group has already performed the analysis of its impact based on the projected results for the end of the year. Said analysis concludes that no impact will arise in any of the of the jurisdictions the Group operates since the ETR in the jurisdictions with a profit before is 15% or higher and other jurisdictions are in a loss position. Moreover, the Group is also analyzing whether its Country-by-Country report is a "qualified CBC" for purposes of the UX Pillar 2 rules in order to apply for the different safe harbors (i.e. simplified ETR; of minims exclusion test and routine profit test).

(19) Provisions for legal claims

As of September 30, 2024, the Group has been involved in various lawsuits and legal actions that arise through normal commercial activities. Of the total lawsuits and legal actions, Management has calculated a probable loss of $36,194 as of September 30, 2024 (December 31, 2023: $31,125). These lawsuits are reflected in the condensed consolidated interim financial statements position under the “Provision for Legal Claims” section.

The changes in provision for legal claims during the periods presented is as follows:

	September 30, 2024	December 31, 2023
Opening Balance	$ 31,125	$ 47,124
Provisions constituted	15,888	8,409
Provisions reverse	(3,122)	(7,996)
Reclasifications to liabilities	(5,041)	—
Lawsuits deposits	—	(8,828)
Provisions used	(2,656)	(7,584)
Balances at the end of the period	**$ 36,194**	**$ 31,125**

Certain litigation are contingent liabilities and are therefore classified as potential future obligations and are subsequently categorized as possible. Based on plaintiffs’ claims for the periods ended September 30, 2024, these contingencies totaled $110,430 (December 31, 2023: $149,414). Certain losses that could arise from this litigation will be covered by insurance or with funds provided by third parties. The judicial processes resolved with said forms of payment are estimated at $11,988 as of September 30, 2024 (December 31, 2023: $13,878).

In accordance with IAS 37, the processes that the Company considers as representing a remote risk are not included within the Condensed Consolidated Statements of Financial Position.

Internal investigations to determine whether we may have violated the U.S. Foreign Corrupt Practices Act and other laws

In August 2019, Avianca Holdings S.A. (former parent of the Avianca Group) disclosed that it had discovered a business practice whereby, years before, certain employees, including members of senior management, as well as certain members of Avianca's board of directors, provided 'things of value' to government employees in certain countries which, based on its understanding, were limited to free and discounted airline tickets and upgrades. Avianca commenced an internal investigation and retained reputable external counsel as well as a specialized forensic investigatory firm to determine whether this practice may have violated the FCPA or other potentially applicable U.S. and non-U.S. anti-corruption laws. In 2018, Avianca revised its policies to prevent said practices from reoccurring. This included limiting the number of persons at Avianca authorized to issue free and discounted airline tickets and upgrades and requiring additional internal approvals. In August 2019, Avianca voluntarily disclosed this investigation to the U.S. Department of Justice, the U.S. Securities and Exchange Commission (the "SEC"), and the Colombian Financial Superintendence.

In September 2019, the Colombian Superintendence of Companies (the "CSC") inspected Avianca's Bogotá offices. In addition, in February 2020, the Office of the Attorney General of Colombia served Avianca with a warrant to inspect its offices in order to collect information related to the CSC's preliminary investigation. The CSC sent several requests of information that were timely responded by Avianca.

On May 28, 2021, the SEC informed Avianca that it had "concluded the investigation as to Avianca Holdings S.A." and did not intend to recommend any enforcement action by the Commission against Avianca Holdings S.A.

To Avianca's knowledge and as of the date hereof, the CSC's preliminary investigation described above has not resulted in the opening of a formal investigation. Moreover, Avianca is of the view that the CSC is time-barred from commencing a formal investigation proceeding and should have closed the preliminary investigation, pursuant to applicable law. Formally, no employee or manager related to Avianca has been linked to any investigations conducted by the Colombian authorities in connection with those practices.

Internal Investigation regarding potential impacts at the Group due to corrupt business practices at Airbus

In January 2020, Airbus, the Company's primary aircraft supplier, entered into a settlement with authorities in France, the United Kingdom and the United States regarding corrupt business practices.

Airbus' settlement with French authorities references a possible request by an Avianca "senior executive" in 2014 for an irregular commission payment, which was ultimately not made. As a result of the foregoing, Avianca voluntarily conducted an internal investigation to analyze its commercial relationship with Airbus and to determine if it was the injured party of any improper or illegal acts. This internal investigation was disclosed to the U.S.

Department of Justice and to the SEC as well as the Colombian Superintendence of Industry and Commerce and the Office of the Attorney General of Colombia.

To Avianca's knowledge and as of the date hereof, the Office of the Attorney General of Colombia and the Superintendence of Industry and Commerce are conducting preliminary investigations, in which they have requested information from Avianca, which, has been provided under the principle of active collaboration with authorities. Formally, no employee or collaborator related to Avianca has been linked to the investigations conducted by the Colombian authorities.

SIC investigation into the acquisition of the Airlines Viva

On December 19, 2022, Colombian Superintendency of Industry and Commerce ("SIC") notified the opening of an investigation against the Colombian airline (i.e., Aerovías del Continente Americano S.A. Avianca) ("Avianca") for allegedly engaging in unlawful business activities prior to obtaining the necessary regulatory approval for the acquisition of economic rights of the Viva airlines which was completed in April 2022 (excluding political rights which were isolated through a trust structure and granted to an independent third party).

The SIC argued that the (i) acquisition of economic rights of Viva by Investment Vehicle 1 Limited entailed – in and of itself – the acquisition of control, and, thus, required clearance by the Aerocivil; and (ii) separation of economic and voting rights is not real.

Certain commitments for the investigation to be dismissed were offered on January 16, 2023, and defense arguments were filed on January 17, 2023 arguing that (a) the deal was structured on the basis of the hold separate theory that is expressly allowed per Colombian merger control regulations and has been consistently recognized by antitrust authorities worldwide; and (b) there is evidence of the fact that the airlines have been acting independently, and have not incurred in any collusion or coordination activities.

On May 2, 2023, the SIC notified Avianca of the dismissal of the investigation subject to some commitments different to those initially offered by Avianca. On May 16, 2023, Avianca filed a remedy of reconsideration requesting some modified commitments suggested by the SIC (the "Remedy").

On August 23, 2023, the SIC notified Avianca of the final and non-appealable decision with respect to the acceptance of the commitments offered by Avianca. Consequently, the investigation has been terminated (the "Final Decision"). On, or around September 7, 2023, as per the Final Decision, Avianca, implemented most of the commitments, including but not limited to: (a) a corporate reorganization with respect to the economic rights of the Viva entities and the shares and economic rights of Rexton Enterprises, S.A.; and (b) a passengers protection plan by providing flight services to customers of the former airline Viva Air until September 2024, under certain specific conditions.

On March 1, 2024, Avianca filed before the SIC and within the time established by this authority the antitrust program for it to be reviewed by the SIC in accordance with the ninth remedy applicable commitment pursuant to

the Final Decision. On July 4, 2024, the SIC notified Avianca of its observations and recommendations regarding the antitrust program. On September 13, 2024, Avianca filed the antitrust program with the SIC observations and recommendations addressed, and, on September 30, 2024 in accordance with the commitments agreed upon with the SIC, the passengers protection plan was fully implemented.

(20) Acquisition of aircraft

In accordance with the agreements in effect, future commitments related to the acquisition of aircraft and engines as of September 30, 2024, are as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Aircraft and engine purchase commitments	$ 380,102	$ 2,076,634	$ 2,106,743	$ 1,138,665	$ 5,702,144

Amounts disclosed reflect certain discounts negotiated with suppliers as of the balance sheet date, which discounts are calculated on highly technical bases and are subject to multiple conditions and constant variations. Among the factors that may affect discounts are changes in our purchase agreements, including order volumes.

The Group plans to finance the acquisition of the commitments acquired with the resources generated by the Group and the financial operations that can be formalized with financial entities and aircraft leasing companies.

(21) Operating Revenue

The Group has identified international and domestic revenue based on route for those revenues related with flown and point of sale for some ancillaries collected at sales.

Operating revenues for the periods presented, is as follows:

	For the Nine months ended September 30,				For the three months between July 1 to September 30,			
	2024	**%**	**2023**	**%**	**2024**	**%**	**2023**	**%**
Domestic								
Tickets	$ 846,465	22%	$ 673,867	19%	286,092	19%	257,949	20%
Ancillaries (1)	229,179	6%	215,680	6%	76,784	6%	77,339	6%
Cargo and courier	211,840	6%	262,712	8%	64,838	5%	75,515	6%
Loyalty (2)	92,228	2%	65,739	2%	37,155	3%	28,376	2%
	1,379,712	**36%**	**1,217,998**	**35%**	**464,869**	**33%**	**439,179**	**34%**
International								
Tickets	1,520,236	40%	1,423,059	41%	591,541	43%	553,511	43%
Ancillaries (1)	455,427	12%	434,439	12%	159,121	12%	166,533	13%
Cargo and courier	275,912	7%	246,992	7%	90,553	7%	79,835	6%
Loyalty (2)	142,296	4%	139,434	4%	49,190	4%	36,740	3%
	2,393,871	**63%**	**2,243,924**	**64%**	**890,405**	**66%**	**836,619**	**65%**
Other	34,303	1%	21,414	1%	11,056	1%	5,685	1%
Total revenue	**$ 3,807,886**	**100%**	**$ 3,483,336**	**100%**	**$ 1,366,330**	**100%**	**$ 1,281,483**	**100%**

(1) The ancillaries' revenues were disaggregated according to the information regularly reviewed by the Chief operating Decision Maker (CODM) for evaluating the financial performance of operating segment. This information considers the ancillaries that are sold separately and the breakdown of the bundle fare. The value of ticket and ancillaries (seats and upgrades, baggage, changes and fees, other air ancillaries and non-air ancillaries), has been separated based on the basic fare associated with the route.

(2) Corresponds to revenues related to passenger services acquired through loyalty miles redeemed.

The disaggregation of operating revenues by the categories presented in the Condensed Consolidated Statement of Comprehensive Income (Loss) for the periods presented is as follows:

	For the nine months ended September 30,				For the three months between July 1 to September 30,			
	2024	**%**	**2023**	**%**	**2024**	**%**	**2023**	**%**
Passenger:								
Tickets	$ 2,366,701	62%	$ 2,096,926	59%	$ 877,633	63%	$ 811,460	62%
Ancilliaries	684,606	18%	650,119	19%	235,905	17%	243,872	19%
Loyalty	208,905	5%	182,665	5%	77,835	6%	58,365	5%
Other	2,913	1%	2,978	1%	1,411	1%	1,108	1%
	3,263,125	**86%**	**2,932,688**	**84%**	**1,192,784**	**87%**	**1,114,805**	**87%**
Cargo and other:								
Loyalty	25,619	1%	22,508	1%	8,510	1%	6,751	1%
Cargo	487,752	12%	509,704	14%	155,391	11%	155,350	11%
Other	31,390	1%	18,436	1%	9,645	1%	4,577	1%
	544,761	**14%**	**550,648**	**16%**	**173,546**	**13%**	**166,678**	**13%**
Total revenue	**$ 3,807,886**	**100%**	**$ 3,483,336**	**100%**	**$ 1,366,330**	**100%**	**$ 1,281,483**	**100%**

(22) Net Interest Expense

The interest expense and income for the periods presented is as follows:

	Notes	Nine months ended September 30,		For the three months period from July 1 to September 30,	
		2024	2023	2024	2023
Debt interest	16	$ 166,938	$ 163,477	$ 56,716	$ 57,269
Lease interest	15	207,862	155,990	71,133	61,163
Other interest expense		37,049	57,604	18,768	26,593
Interest Income from cash and cash equivalents and short-term investments		(36,604)	(29,403)	(11,119)	(16,969)
Intercompany loan agreement		(8,748)	(6,877)	(2,963)	(2,409)
Total		**$ 366,497**	**$ 340,791**	**$ 132,535**	**$ 125,647**

(23) Common Shares

	September 30, 2024	September 30, 2023
Common shares issued and paid	39,611,023	39,545,045
Common shares value	$ 4	$ 4

The nominal value per share is $0.0001 Expressed in cents

Common Shares

Holders of these shares are entitled to dividends as declared by the Board of Directors from time to time. As of the date of these condensed consolidated financial statements, Investment Vehicle 1 Limited ("IV1L") is AGIL's sole shareholder.

Issue of common shares and additional paid in capital

The following table reconciles AGIL's opening share balance to the closing share balance for the periods presented.

	Shares Issued and Outstanding
As of December 31, 2023	39,569,223
May 15, 2024 Issuance of shares to GUCs (1)	40,466
July 17, 2024 Issuance of shares to GUCs (2)	1,334
As of September 30, 2024	**39,611,023**

	Shares Issued and Outstanding
As of December 31, 2022	39,210,000
June 7, 2023 Issuance of shares to GUCs (3)	335,045
November 15, 2023 Issuance of shares to GUCs (4)	24,178
As of December 31, 2023	**39,569,223**

(1) On May 15, 2024, pursuant to the Further Modified Joint Chapter 11 Plan of Avianca Holdings S.A. and its Affiliated Debtors Docket No. 2259, which was confirmed by the U.S. Bankruptcy Court for the Southern District of New York on November 2, 2021 (the "Plan"), subsequent issuances of shares to 9 Electing General Unsecured Claimholders (as defined in the Plan, the "GUCs") were completed (the "Third Tranche Issuances"). The Third Tranche Issuances, which were all implemented on May 15, 2024, included:

- the allotment and issuance to the GUCs of 40,466 ordinary shares of US $0.0001 each in the capital of AGIL;
- immediately after, the exchange of the shares received in AGIL for an equal number of IV1L shares; and
- immediately after, the transfer to Abra Group Limited ("Abra") of the shares received in IV1L in consideration for such number of shares in Abra as established in the transaction documents.

(2) On July 17, 2024, pursuant to the Plan, subsequent issuances of shares to 9 GUCs were completed (the "Fourth Tranche Issuances"). The Fourth Tranche Issuances, which were all implemented on July 17, 2024, included:

- the allotment and issuance to the GUCs of 1,334 ordinary shares of US $0.0001 each in the capital of AGIL;

- immediately after, the exchange of the shares received in AGIL for an equal number of IV1L shares; and
- immediately after, the transfer to Abra of the shares received in IV1L in consideration for such number of shares in Abra as established in the transaction documents.

(3) On June 7, 2023, pursuant to the Plan, subsequent issuances of shares to 129 GUCs were completed (the "First Tranche Issuances"). The First Tranche Issuances, which were all implemented on June 7, 2023, included:

- the allotment and issuance to the GUCs of 335,045 ordinary shares of US $0.0001 each in the capital of AGIL;
- immediately after, the exchange of the shares received in AGIL for an equal number of IV1L shares; and
- immediately after, the transfer to Abra of the shares received in IV1L in consideration for such number of shares in Abra as established in the transaction documents.

(4) On November 15, 2023, pursuant to the Further Modified Joint Chapter 11 Plan of Avianca Holdings S.A. and Its Affiliated Debtors [Docket No. 2259], which was confirmed by the U.S. Bankruptcy Court for the Southern District of New York on November 2, 2021 (the "Plan"), subsequent issuances of shares to 49, respectively, Electing General Unsecured Claimholders (as defined in the Plan, each such claimholder a "GUC") were completed (the "Issuances"). The Issuances, which were all implemented on November 15, 2023, included:

- The allotment and issuance to each GUC of 24,178 ordinary shares of US$0.0001 each in the capital of AGIL;
- Immediately after, the exchange of the shares received in AGIL for an equal number of IV1L shares;
- Immediately after, the transfer to Abra of the shares received in IV1L in consideration for such number of shares in Abra as established in the transaction documents.

After the implementation of the First Tranche Issuances and the Third Tranche Issuances, described in (1) and (2), the GUCs are currently Abra shareholders, Abra remains IV1L's sole shareholder and IV1L remains AGIL's sole shareholder. Further issuances of shares to the remaining GUCs are expected to take place in the near future in a similar fashion as described above.

(24) Derivative Instruments

The Group purchases jet fuel on an ongoing basis as its operating activities require a significant ongoing supply of this commodity. The composition of jet fuel can be understood as the sum of the West Texas Intermediate ("WTI") price and the crack spread. WTI: It is a type of crude oil that serves as a price reference in international markets.

Crack Spread: it is the difference between the price of jet fuel and the WTI, reflecting the costs and refining margins required to convert crude into refined products, such as jet fuel.

The Group then perceives two risks: the price volatility of the WTI and the price of the Crack Spread, both of which influence the final cost of the jet fuel. For third quarter of 2024, the Group decided to specifically cover the crack spread. The decision was made to mitigate the potential impacts of hurricane season, as these events can disrupt the production and distribution of refined products, leading to a reduction in supply and potential logistical disruptions, these influences the price of the underlying fuel, which the Group uses as the aircraft's final fuel.

The Group must enter in hedging contracts to mitigate crack spread volatility, aligned with the risk management strategy outlined by the Board of Directors. The contracts are intended to hedge crack spread price volatility for monthly periods between July and October 2024 based on existing purchase agreements. The Group always designates a qualifying instrument in its entirety as a hedging instrument.

The Group has designated certain crack spread swaps as of September 30, 2024 (September 30, 2023: Jet fuel call options) as a cash flow hedge. The quantity and maturity of swaps and their corresponding hedged items must remain the same. The group has determined that there is an economic relationship between the hedged item and the hedging instrument.

The Group performs a qualitative assessment of effectiveness, as the cost of jet fuel and the crack spread, which serves as an input cost, are both separately identifiable costs with known market structures (the price is driven by the market) the critical terms match. Considering that the critical terms match, it is assumed that there is 100% hedge effectiveness and that a hedge ineffectiveness scenario does not exist.

The primary source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group’s own credit risk on the fair value of the option contracts, which is not reflected in the fair value of the hedged item. The Group has determined that the effect of credit risk does not influence the value changes that result from that economic relationship.

The notional value of derivatives recognized as hedging instruments for the nine months ended September 30, 2024 is equivalent to 102,000,000 gallons of crack spread (September 30, 2023: 71,612,265 gallons of Jet Fuel). The Group hedges approximately 28% (12,000,000 gallon) of the expected fuel gallon consumption for the month of July 2024, and approximately 75% (30,000,000 gallon per month) of the expected fuel gallon consumption for the months of August, September and October 2024 at average strike price of $25.23.

The following table details outstanding hedging instruments at the end of the reporting periods, as well as information regarding their related hedged items. Hedging instruments are reported within the “Deposits and other assets” line within the statement of financial position (see note 11):

September 30, 2024

Strike price per gallon	Quantity (gallons)	Carrying amount of the hedging instruments as of January 01, 2024	Cash payments, net	Change in the fair value of hedging instrument recognized in OCI	Amount from cost of hedging reserve transferred to Losses	Line item in profit or loss in which the transferred amount is included	Carrying amount of the hedging instruments as of September 30, 2024
26.87	48,000,000	$ —	$12,433	$ 3,101	$ 8,540	Aircraft fuel	$ 792
24.93	24,000,000	—	6,046	1,700	3,818	Aircraft fuel	528
23.90	30,000,000	—	6,824	1,882	4,282	Aircraft fuel	660
	102,000,000	**$ —**	**$25,303**	**$ 6,683**	**$ 16,640**		**$ 1,980**

September 30, 2023

Strike price per gallon	Quantity (gallons)	Carrying amount of the hedging instruments as of January 01, 2023	Cash payments, net	Change in the fair value of hedging instrument recognized in OCI	Amount from cost of hedging reserve transferred to Losses	Line item in profit or loss in which the transferred amount is included	Carrying amount of the hedging instruments as of September 30, 2023
3.25	$ 71,612	$ —	$ 3,304	$ 559	$ 275	Aircraft fuel	$ 2,470
	$ 71,612	**$ —**	**$ 3,304**	**$ 559**	**$ 275**		**$ 2,470**

(25) Subsequent Events

As part of the identification of opportunities to expand our coverage through strategic investments and acquisitions complementary to our current geographic footprint, the Group, through Avianca Midco 2 Plc, entered into an agreement subject to regulatory approvals and other conditions to acquire the majority of the economic rights of Wamos Air, S.A. a leading Spanish base airline that offers charter and Aircraft Crew Maintenance and Insurance (also known as just ACMI) services with fleet of 13 A330 aircraft. On October 15, 2024, after the closing conditions were satisfied, we closed the transaction and completed our strategic investment in Wamos Air S.A. that will complement our strategic network by providing optionality to expand Avianca's existing global footprint, which we expect to utilize to enhance European connectivity.

The Group is unable to disclose the requirements of IFRS 3-B64 (e)-(q) because the business combination is incomplete at the time of these consolidate financial statements are authorized for issue.

On October 22, 2024, Abra Global Finance ("AGF"), a wholly owned subsidiary of Abra, closed a private placement of $510 million in initial aggregate principal amount of senior secured notes due 2029 and obtained senior secured term loans maturing in 2029 in an initial aggregate principal amount of $740 million (collectively, the "Refinancing Debt"). AGF applied the net proceeds from the Refinancing Debt, together with cash on hand, to fund the redemption of all of AGF's senior secured notes due 2028 and to pay related fees and expenses. The documents governing the Refinancing Debt contain covenants requiring that the "loan to value ratio" of Abra not exceed certain thresholds at the end of each fiscal quarter and upon the consummation of certain transactions. The equity interests of IV1L held by Abra were pledged to secure the obligations in respect of the Refinancing Debt. In addition, such equity interests of IV1L held by Abra continue to secure AGF's obligations in respect of its approximately $587 million in aggregate principal amount of senior secured exchangeable notes due 2028.

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AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Consolidated Financial Statements

As at and for the year ended December 31, 2023, with corresponding figures as at and for the year ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

To the Shareholders
Avianca Group International Limited:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Avianca Group International Limited and subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Colombia, and we have fulfilled our other ethical responsibilities in accordance with these requirements, and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 (c) to the consolidated financial statements which indicates that the financial statements have been reissued to include further information in the notes. Our opinion is not modified in respect of this matter.

Other Matter

On March 21, 2024, we issued an unmodified audit opinion on the consolidated financial statements of Avianca Group International Limited, which are now being reissued. As described in Note 2 (c), these financial statements have been changed and are being reissued to include further information in the notes, as described in that note. Therefore, our new report replaces the report previously issued.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG S.A.S.

KPMG S.A.S.
Calle 90 No. 19C - 74
Bogotá D.C., Colombia
January 14, 2025

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Consolidated Statement of Financial Position
(In USD thousands)

	Notes	December 31, 2023	December 31, 2022
Assets			
Current assets:			
Cash and cash equivalents	7	$ 783,858	$ 816,716
Short term investments	7	257,553	44,843
Trade and other receivables, net of expected credit losses	8	263,433	233,753
Current tax assets	26	196,152	176,255
Accounts receivable from related parties	9	4,897	—
Defined benefit assets, net	20	—	2,102
Expendable spare parts and supplies, net of provision for obsolescence	10	93,506	88,578
Prepayments	11	14,878	15,258
Deposits and other assets	12	46,161	36,547
		1,660,438	**1,414,052**
Assets held for sale	13	10,743	26,067
Total current assets		**1,671,181**	**1,440,119**
Non-current assets:			
Deposits and other assets	12	118,821	81,267
Trade and other receivables, net of expected credit losses	8	—	2,592
Accounts receivable from related parties	9	112,726	103,341
Intangible assets and goodwill, net	15	2,852,113	2,893,187
Deferred tax assets	26	45,444	27,397
Property and equipment, net	14	3,832,762	2,671,909
Total non-current assets		**6,961,866**	**5,779,693**
Total assets		**$ 8,633,047**	**$ 7,219,812**

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Consolidated Statement of Financial Position
(In USD thousands)

	Notes	December 31, 2023	December 31, 2022
Liabilities and equity			
Current liabilities:			
Short-term borrowings and current portion of long-term debt	16	$ 476,177	$ 213,043
Accounts payable	17	550,680	429,854
Accounts payable to related parties	9	79	42
Accrued expenses	18	85,799	54,577
Current tax liabilities	26	37,042	10,103
Provision for legal claims	27	31,125	47,124
Provisions for return conditions	19	8,098	5,522
Employee benefits	20	135,749	81,687
Air traffic liability	21	680,425	589,825
Frequent flyer deferred revenue	21	164,540	165,165
Other liabilities		86	275
		2,169,800	**1,597,217**
Liabilities associated with the assets held for sale	13	—	6,465
Total current liabilities		**2,169,800**	**1,603,682**
Non-current liabilities:			
Long-term debt	16	4,295,433	3,771,792
Provision for return conditions	19	807,294	553,986
Employee benefits	20	71,191	40,221
Deferred tax liabilities	26	136,045	155,681
Frequent flyer deferred revenue	21	271,964	289,847
Other liabilities		88	101
Total non-current liabilities		5,582,015	4,811,628
Total liabilities		$ **7,751,815**	**$ 6,415,310**
Equity:			
Common shares	22	4	4
Share premium	22	1,145,962	1,145,962
Retained déficit		(208,402)	(336,066)
Other comprehensive income	22	(72,567)	(21,537)
Equity attributable to owners of the Company		**864,997**	**788,363**
Non-controlling interest (NCI)	23	16,235	16,139
Total equity		**881,232**	**804,502**
Total liabilities and equity		**$ 8,633,047**	**$ 7,219,812**

See accompanying notes to consolidated financial statements

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Consolidated Statement of Comprehensive Income (Loss)
(In USD thousands)

	Note	For the year ended December 31, 2023	For the year ended December 31, 2022
Operating revenue:			
Passenger		$ 4,007,956	$ 3,132,561
Cargo and other		763,170	915,295
Total operating revenue	5, 31	**4,771,126**	**4,047,856**
Operational expenses:			
Flight operations		87,080	72,893
Aircraft fuel		1,416,445	1,479,783
Ground operations		469,176	401,497
Rentals	28	131,468	225,343
Passenger services		87,092	90,695
Maintenance and repairs		167,532	175,042
Air traffic		204,640	171,913
Selling expenses		354,401	326,275
Salaries, wages, and benefits		551,930	440,029
Fees and other expenses		233,084	250,764
Depreciation, amortization, and impairment	14,1	449,734	333,534
Total operating expenses		**4,152,582**	**3,967,768**
Operating Income		**618,544**	**80,088**
Interest expenses		(510,301)	(398,249)
Interest income		48,914	14,375
Foreign exchange, net	6.c	(18,294)	(9,857)
Equity method profit		1,066	523
Income (loss) before income tax		**139,929**	**(313,120)**
Income tax expense – current		(38,905)	(8,830)
Income tax expense – deferred		36,980	1,512
Total income tax expense	26	(1,925)	(7,318)
Net income (loss) for the year from continuing		**$ 138,004**	**$ (320,438)**
Discontinuing operations			
Loss from discontinuing operations	13.1	(6,654)	(1,856)
Net Income (loss) for the year		**$ 131,350**	**$ (322,294)**

See accompanying notes to consolidated financial statements

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Consolidated Statement of Comprehensive Income (Loss)
(In USD thousands)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Net income (loss) for the year		**$ 131,350**	**$ (322,294)**
Other comprehensive income (loss):			
Items that will not be reclassified to income or loss in future periods:	22		
Remeasurements of defined Benefit	20	(80,250)	(30,040)
Revaluation of administrative property	14	22,826	1,265
Income tax	26	(336)	(730)
		(57,760)	**(29,505)**
Items that will be reclassified to income in future periods:	22		
Effective portion of changes in fair value of hedging instruments		—	(194)
Net change in fair value of financial assets with changes in OCI		800	(2,019)
Foreign operations – foreign currency translation differences		4,590	(4,388)
		5,390	**(6,601)**
Other comprehensive loss, net of income tax		(52,370)	(36,106)
Total comprehensive income (loss) net of income tax		**78,980**	**(358,400)**
Income (loss) attributable to:			
Equity holders of the parent		127,664	(323,505)
Non-controlling interest		3,686	1,211
Net income (loss)		**$ 131,350**	**$ (322,294)**
Total comprehensive income (loss) attributable to:			
Equity holders of the parent		76,634	(359,996)
Non-controlling interest		2,346	1,596
Total comprehensive income (loss)		**$ 78,980**	**$ (358,400)**

See accompanying notes to consolidated financial statement

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Consolidated Statement of Changes in Equity
(In USD thousands)

	Notes	Common shares	Share premium	Other comprehensive income	Retained deficit	Equity attributable to owners of the Company	Non- controlling interest	Total equity
				OCI Reserves				
Balance at January 01, 2022		**$ 4**	**$ 1,145,962**	**$ 14,954**	**$ (12,561)**	**$ 1,148,359**	**$ 14,543**	**$ 1,162,902**
Net loss		—	—	—	(323,505)	(323,505)	1,211	(322,294)
Other comprehensive income		—	—	(36,491)	—	(36,491)	385	(36,106)
Balance at December 31, 2022		**$ 4**	**$ 1,145,962**	**$ (21,537)**	**$ (336,066)**	**$ 788,363**	**$ 16,139**	**$ 804,502**
Net income		—	—	—	127,664	127,664	3,686	131,350
Sale subsidiary	13.1	—	—	—	—	—	(2,250)	(2,250)
Other comprehensive income	22	—	—	(51,030)	—	(51,030)	(1,340)	(52,370)
Balance at December 31, 2023		**$ 4**	**$ 1,145,962**	**$ (72,567)**	**$ (208,402)**	**$ 864,997**	**$ 16,235**	**$ 881,232**

See accompanying notes to consolidated financial statements

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Consolidated Statement of Cash Flows
(In USD thousands)

	Notes	For the year ended December 31, 2023	For the year ended December 31, 2022
Cash flows from operating activities:			
Net Income (loss)for the period		**$ 131,350**	**$ (322,294)**
Adjustments for:			
Provision net of expected credit losses	8	3,963	4,952
Provision for expandable spare parts and suppliers obsolescence	10	3,955	1,959
Recovery of provisions for legal claims	27	413	(2,136)
Depreciation, amortization and impairment	13,14,15	449,734	333,534
Loss on disposal of assets		1,074	9,220
Loss on sale subsidiary	13.1	6,654	—
Interest Income		(48,914)	(14,375)
Interest expense		510,301	398,249
Deferred tax	26	(36,980)	(1,512)
Current tax	26	38,905	8,830
Derivative instruments	24	4,079	13,886
Unrealized foreign currency (gain) loss		(8,018)	7,614
Changes in:			
Trade and other receivables		(24,379)	(28,542)
Expendable spare parts and supplies		(15,823)	(21,919)
Prepayments		447	9,246
Net current tax		53,754	(28,405)
Deposits and other assets		(56,450)	(62,918)
Accounts payable and accrued expenses		90,123	(29,992)
Air traffic liability		90,600	66,956
Frequent flyer deferred revenue		(18,508)	46,200
Provision for return conditions		(4,664)	(1,955)
Provisions for legal claims		(8,692)	2,006
Employee benefits		(3,508)	(48,270)
Fuel Hedging paid, net	24	(4,079)	(14,045)
Income tax paid		(52,923)	(69,952)
Net cash provided by operating activities		**$ 1,102,414**	**$ 256,337**
Cash flows from investing activities:			
Acquisition of property and equipment		(313,058)	(304,338)
Reimbursement of equipment acquisition	14	54,457	112,524
Interest received of investment in bank deposit certificates		33,993	1,721
Acquisition of short-term investments		(374,497)	—
Reimbursement of short-term investments		162,976	—
Granted loans	8,9	—	(100,300)
Acquisition of intangible assets	15	(21,961)	(14,133)
Proceeds from sale of property and equipment		42,243	367,146
Consideration received from disposal of subsidiary	13.1	4,506	—
Cash and cash equivalents disposed	13.1	(4,011)	—
Net cash (used in) provided by investing activities		**$ (415,352)**	**$ 62,620**

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Consolidated Statement of Cash Flows
(In USD thousands)

Cash flows from financing activities:			
Payments of liabilities associated with assets held for sale	13	—	(317,667)
Proceeds from loans and borrowings		11,500	—
Interest paid	16	(408,814)	(285,642)
Payment of loans and borrowings	16	(323,368)	(179,461)
Net cash used in financing activities		**$ (720,682)**	**$ (782,770)**
Net decrease in cash and cash equivalents		(33,620)	(463,813)
Exchange rate effect on cash		762	733
Cash and cash equivalents at the beginning of the period		816,716	1,279,796
Cash and cash equivalents at the end of the period		**$ 783,858**	**$ 816,716**

See accompanying notes to consolidated financial statements

(1) Reporting entity

Avianca Group International Limited ("AGIL" or the "Company") is incorporated and existing under the laws of England and Wales as of September 27, 2021, with its registered office at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT. AGIL, together with its subsidiaries, will be referred to as the "Group" for the purposes of this document.

AGIL was incorporated with the objective of acquiring the business of Avianca Holdings S.A. (the Group's former holding entity). The corresponding reorganization transaction was completed on December 1, 2021 (the "C11 Emergence Date"), pursuant to the implementation of the Group's Plan. From the C11 Emergence Date until March 31, 2022, AGIL was the holding company of the Group.

On March 31, 2022, Investment Vehicle 1 Limited, a company incorporated in the Cayman Islands and tax resident in England and Wales ("IV1L"), was interposed between AGIL and its then-shareholders by way of a 1:1 share for share exchange (the "Reorganization Transaction"). Pursuant to the Reorganization Transaction, all shareholders transferred their ordinary shares in AGIL to IV1L in exchange for an equal number of ordinary shares in IV1L. As a result: (i) AGIL's former shareholders became shareholders of IV1L; and (ii) IV1L became the sole shareholder of AGIL and the holding entity of the Group. The Reorganization Transaction was intended to bolster the Group's structure, to allow Avianca to enter into strategic transactions more efficiently.

On May 10, 2022, certain shareholders of IV1L and the controlling shareholders of Gol Linhas Aéreas Inteligentes S.A. entered into a landmark contribution agreement (as amended from time to time) to create a leading air transportation group across Latin America under a single holding entity named Abra Group Limited ("Abra"). Abra is a private limited company which was incorporated in England and Wales on February 18, 2022. On April 3, 2023, this transaction closed and the shareholders of IV1L transferred their shares therein to Abra in exchange for shares in Abra. As a result, Abra became the Company's ultimate parent and the Group's holding company. The Abra Transaction did not result in a change in basis or presentation for AGIL.

Significant subsidiaries

The following are the Group's significant subsidiaries included within these consolidated financial statements:

Subsidiary Name	Country of incorporation	Ownership Interest% 2023	Ownership Interest% 2022
Avianca Ecuador S.A.	Ecuador	99.62%	99.62%
Aerovías del Continente Americano S.A. (Avianca)	Colombia	99.98%	99.98%
Grupo Taca Holdings Limited.	Bahamas	100%	100%
LifeMiles Ltd.	Bermuda	100%	100%
Avianca Costa Rica S.A.	Costa Rica	92.42%	92.42%
Taca International Airlines, S.A.	El Salvador	96.83%	96.83%
Tampa Cargo S.A.S.	Colombia	100%	100%
Regional Express Américas S.A.S.	Colombia	100%	100%
Aero Transporte de Carga Unión, S.A. de C.V.	México	92.70%	92.70%

The Group, through its subsidiaries, is a provider of domestic and international passenger and cargo air transportation, both in the domestic markets of Colombia, Ecuador and international routes serving North, Central and South America, Europe, and the Caribbean.

The passenger airlines of the Group have entered into several bilateral code share alliances with other airlines (whereby selected seats on one carrier's flights can be marketed under the brand name and commercial code of the other), expanding travel choices to customers worldwide.

Most codeshare alliances typically include: a single ticket issued in a single transaction for the whole itinerary, passenger and baggage check-in to the final destination, transfer of baggage at any transfer point, frequent flyer program benefits, among others. To date, the airlines of AGIL have codeshare agreements with the following airlines: Air Canada, United Airlines, Copa Airlines, Silver Airways, Iberia, Lufthansa, ITA Airways, All Nippon Airways, Singapore Airlines, Eva Airways, Air China, Etihad Airways, Turkish Airlines, Air India, Azul Linhas Aéreas Brasileiras, GOL Linhas Aéreas Inteligentes, TAP and Clic.

In addition, Avianca S.A. is a member of Star Alliance, as well as Taca International, Avianca Ecuador and Avianca Costa Rica, as "*Connected Entities*" of Avianca S.A. This gives customers access to the destinations, services and benefits offered by the 26 airline members of Star Alliance. Its members include several of the world's most recognized airlines, Lufthansa, United Airlines, Thai Airways, Air Canada, TAP, Singapore Airlines, among others. All of them are committed to meeting the highest standards in terms of security and customer service.

As of December 31, 2023, Avianca Group International Limited's total fleet is comprised of:

	As of December 31, 2023			**As of December 31, 2022**		
Aircraft	**Owned**	**Lease (1)**	**Total**	**Owned**	**Lease (1)**	**Total**
Airbus A-319	1	9	**10**	—	19	**19**
Airbus A-320	—	79	**79**	1	71	**72**
Airbus A-320 NEO	—	41	**41**	—	21	**21**
Airbus A-330	1	5	**6**	1	3	**4**
Airbus A-330F	—	6	**6**	—	6	**6**
Airbus A-300F	3	—	**3**	3	—	**3**
Boeing 787-8	—	16	**16**	—	13	**13**
Boeing 767F	2	—	**2**	2	—	**2**
	7	**156**	**163**	**7**	**133**	**140**

(1) As of December 31, 2023, there are 5 of the 156 lease aircraft that consist of short-term and variable rent, and as a result, they are not reflected in the statement of financial position. (December 31, 2022: 20 of the 127 lease aircraft)

During 2023, the Group finalized lease short term- variable rent agreements for ten A319 and five A320 aircraft; sold one A320 aircraft which we previously owned, and acquired one A319 aircraft. The Group also added thirteen A320, three B787-8, and twenty A320 NEO aircraft through lease agreements.

(2) Basis of presentation of the Consolidated Financial Statements

Professional Accounting Standards Applied

(a) Statement of compliance

The Consolidated Financial Statements as at and for the year ended December 31, 2023, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as established by the International Accounting Standards Board ("IASB").

The Group's consolidated financial statements for the Period ended December 31, 2023, were prepared, and presented by Management and authorized for issuance by the board of Directors on March 18, 2024.

The Group's consolidated financial statements for the Period ended December 31, 2023 were prepared, and presented by Management and authorized for reissuance by the board of Directors on January 13, 2025. See note 2(c).

(b) Going Concern

These Consolidated Financial Statements have been prepared on a going concern basis.

The Group has recognized a net income after taxes of $131,350 for the year ended December 31, 2023 (December 31, 2022: net loss of $(322,294)). The consolidated statement of financial position reflected an excess of current assets over current liabilities of $346,346 (December 31, 2022: $591,427), excluding deferred revenue from air traffic liability and deferred revenue from frequent flyer. Similarly, the Group's liquidity reached in line with strong working capital generation and strengthening of Operating Cash Flow.

Operating income for the year ended December 31, 2023, was $618,544 (December 31, 2022: $ 80,088), resulting from the Group's plan to reduce its cost structure and generate profitability.

Except for the negative results in 2022, as outlined in the restructuring process, the Group has a strong financial position, with equity as of December 31, 2023, of $881,232 (December 31, 2022: $ 804,502).

The financial results of Avianca Group International Limited (AGIL) for the year ended December 31, 2023, confirm its financial strength, the successful implementation of the Business Plan proposed at the end of 2021, and the flexibility of its new business model, which leverages its profitability based on continuous optimization of its cost structure. This has allowed the Group to substantially improve its financial margins while managing its leverage levels.

The year 2023 was marked by a challenging macroeconomic environment in terms of inflation, fuel prices and currency volatility in the regions where the Group operates. Despite this, robust demand, and the continued optimization of the cost structure, along with profitable standalone business units, generated positive margins and preserved the Group's strong liquidity position.

Furthermore, the exit of two players from the Colombian domestic market created an opportunity, which, combined with increased slots per hour at El Dorado Airport in Bogotá, led to a strategic capacity increase that serves to meet the existing demand.

Management is confident in the Group's ability to navigate these times of high volatility through successful execution of the business plan. The Group through AGIL has and will have the adequate resources to continue its operational existence in the immediate and long-term future sustainably.

(c) Reissuance of consolidated financial statements

The Group performed an assessment of disclosures required under IFRS and identified further information to be disclosed in the consolidated financial statements notes related to (i) total number of leased aircraft by the Group (see note 1); (ii) the covenants and collaterals of the debt agreements of the Group (see note 16); (iii) the breakdown of the carrying amount of the goodwill and intangibles with indefinite useful lives (see note 15); (vi) further information in the material accounting policies (see note 3(f)) and (v) certain of subsequent events (see note 32) due to the updated authorization date. This additional information does not affect the figures of the consolidated financial statements.

(3) Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in the consolidated financial statements, except if mentioned otherwise.

In addition, the Group adopted Disclosure of Accounting policies (Amendments to IAS 1 and IFRS Practice Statement 1) from 1 January 2023. The amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impact accounting policy information disclosed below.

(a) Basis of measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, excluding land and buildings (which are classified as administrative property), defined benefit plan assets and short-term investments that have been calculated at fair value.

(b) Functional and presentation currency

The Consolidated Financial Statements are presented in US Dollars, which is the functional currency for each legal entity within the Group.

(c) Use of judgements and estimates

The preparation of these Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results therefore may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

In preparing these consolidated financial statements, significant judgments were made by Management when applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended December 31, 2022.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 2(c): whether there are material uncertainties driven by a challenging macroeconomic environment in terms of inflation, fuel prices and currency volatility in the regions where the Group operates, that may cast significant doubt on the entity´s ability to continue as a going concern, management is confident in the Group's ability to navigate these times of high volatility through successful execution of the business plan, robust demand, and the continued optimization of the cost structure, along with profitable standalone business units, generated positive margins and preserved the Group's strong liquidity position.
- Note 3 (f) and 31: The group recognizes passenger revenue that includes airline fares and ancillary services (carry on, bag, economy seat, check in, mileage, seat selection and change fee) that could be sold on the ticket or standalone. Revenue management defines the fares and values depending on different conditions. Due to the importance of information related to ancillaries and fares in the company model that the group is implementing, management split these two revenue types, although they are selling as a bundle, taking as a based fare the minor fare identified in the route.

(ii) Assumptions and estimation uncertainties

The following assumptions and estimation uncertainties may have the most significant effect on the amounts recognized in the consolidated financial statements in the next financial year:

- Note 3(f) and 31: The Group recognizes revenue from the sale of Miles that are expected to expire unused ("Breakage") based on historical data and experience. In defining expected breakage, Management uses an econometric model developed with the assistance of an independent expert; such model measures behavior patterns of members segmented into statistically homogenous groups, and projects future behavior, taking into account specific considerations affecting recent and upcoming periods. The breakage methodology uses member-level predictive statistical analyses to build a transition model, allowing better consideration of members across segments that are likely to exhibit cohesive behavior. Every year, management reassesses the historical data and makes required adjustments.

- Note 3(g) and 26: Deferred taxes are recognized on unused tax losses and on deductible temporary differences to the extent that it is probable that in the future there will be taxable income that can be offset against deferred tax. Management must use significant judgment to determine the amount of deferred tax asset to recognize and the tax rates to use, based on the possible term and amounts of future taxable income together with future tax strategies and tax rates enacted in the jurisdictions where Group entities operate.

- Note 3 (k) and 15: The Group evaluates the carrying value of long-lived assets subject to amortization or depreciation whenever events or changes in circumstances indicate that an impairment may exist. For purposes of evaluating impairment losses, assets are grouped at the lowest level for which there are largely independent cash flows inflows by air transportation and loyalty cash generating units. An impairment loss is recognized for the excess of the carrying amount of the asset over its recoverable amount. The recoverable amount is the fair value of an asset less the costs for sale or the value in use, whichever is greater. The goodwill, once it is impaired, the impairment loss is not reversed in future years.

- Note 3 (i), 14 and 19: Aircraft lease contracts may establish certain conditions requiring aircraft to be returned to the lessor at the contracts' end. To comply with return conditions, the Group incurs costs such as the payment to the lessor of a rate in accordance with the use of components through the term of the lease contract, payment of maintenance deposits to the lessor, or overhaul costs of components. In certain contracts, if the asset is returned in a better maintenance condition than the condition at which the asset was originally delivered, the Group is entitled to receive compensation from the lessor. For the application of this policy at the beginning of the contract the projected amount of the obligation for return conditions discounted at present value is recognized as a part of the right-of-use and amortized during the term of the contract. The recognition of return conditions require management to make estimates of the costs with third parties of return conditions, discount rate and use inputs such as, hours or cycles flown of major components, estimated hours, or cycles at redelivery of major components, projected overhaul costs and overhaul dates of major components.

- Note 3(r) and 20: the determination of the Group´s defined benefit obligation depends on certain assumptions, which include selection of the discount rate, mortality rates and future pension increases. All assumptions are reviewed at each reporting date.

(d) Basis of Consolidation

The financial statements of subsidiaries are included within the consolidated financial statements from the date that control commences until the date that control ceases, in accordance with IFRS 10. Subsidiaries are entities controlled by AGIL. Control is established after assessing the Group's ability to direct the relevant activities of the investee, its exposure and rights to variable returns, and its ability to use its power to affect the amount of the investee's returns. The accounting policies of subsidiaries have been aligned, when necessary, with the policies adopted by the Group.

(i) Non-controlling interest - NCI

NCI is measured initially at its proportionate share of the acquirer's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(i) Transactions eliminated on Consolidation

Intercompany balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gain or losses) arising from intercompany transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(e) Foreign currency

The Consolidated Financial Statements are presented in US dollars. Transactions in foreign currencies are initially recorded in the functional currency at the respective spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the spot rate of exchange ruling at the reporting date. All differences are recognized currently as an element of profit or loss. Non–monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non–monetary items measured at a revalued amount in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(f) Revenue recognition

Revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The consideration received or receivable is measured taking into account contractually defined terms of payment and excluding taxes or duties. Below is information on the nature and timing of the satisfaction of performance obligations in contracts with customers.

(i) Passenger revenue

Revenues from passengers, which includes transportation, baggage fees, and other associated ancillary income, are recognized when transportation is provided or when obligation expires. Passenger revenue sales are purchased primarily via credit card transactions, with payments collected by the Group in advance of the performance of related services. The amount of passenger ticket sales, not yet recognized as revenue, is reflected under “Air traffic liability” in the consolidated statement of financial position deferring the

revenue recognition until the travel occurs. For travels that have more than one flight segment, the Group considers each segment as a separate performance obligation and recognizes the revenues of each segment as the travel takes place.

The Group´s passenger revenue includes airline fares and ancillary services (seats and upgrades, baggage, changes and fees, other air ancillaries and non-air ancillaries) that could be sold on the ticket or standalone.

The Group has refundable and non- refundable fares. For non- refundable fares, revenue from the air transportation of passengers is recognized when service is provided or when the non-refundable ticket expires at the date of the scheduled travel.

Refundable tickets usually expire after one year from the date of issuance. For these non-restricted in case of unused tickets that are expected to expire, revenue is recognized based on historical data and experience, with the support of an independent third-party specialist. The management must take estimates based on historical experience as an indication of the future customer behavior, analyzed by rate type.

The majority of the ancillaries' services sold in the bundled fare, such as seats and upgrades, baggage, changes and fees, other air ancillaries and non-air ancillaries, are performed during the flight and cannot be separated from the travel component since the customer cannot benefit from them separately from the initial trip; these transactions are understood as the same performance obligation covered by IFRS15 and are recognized in combination with the ticket fare as the ticket price.

The Group sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by other airline partners, the Group has determined that it is acting as an agent on behalf of the other airlines as they are responsible for their portion of the contract. The Group, as the agent, reduces its "Air traffic liability" when consideration is remitted to those airlines, and recognizes revenue for the net amount representing commission to be retained by the Group for any segments flown by other airlines. Tickets sold by other airlines where the Group provides transportation are recognized as passenger revenue at the estimated value that will be billed to the other airline when the travel is provided.

(ii) Cargo and other operating revenue

Cargo revenues are recognized when the shipments are delivered. Other operating income is recognized as the related performance obligations are met. Payment for Cargo revenues are typically due 30 days from date of booking.

(iii)Loyalty program

The Group has a loyalty program, "LifeMiles". The purpose of the program is to retain and increase travelers' loyalty by offering incentives for frequent use of the services of the Group's airlines.

Under the LifeMiles program, miles are earned by flying on the Group's airlines, Star Alliance airlines or by using the services of other program participants, such as cobranded credit card, hotel stays, car rentals, and other activities. Consideration received from the sale of mileage credits is variable and payment terms

typically are within 30 days subsequent to the month of mileage sale. Miles are also directly sold through various distribution channels. Miles earned can be redeemed for flights on the Group's airlines and other participating partner airlines, as well as non-air travel awards. For the miles accumulated under the Lifemiles program, the deferred revenue method is applied.

For miles earned through travel, we apply a relative selling price whereby the total amount collected from each passenger ticket sale is allocated between the air transportation and the loyalty miles granted to clients. When a passenger receives miles in connection with a flight, the Group applies the adjusted market assessment approach to value the miles granted to clients; when miles are sold to co-branded credit cards, Star Alliance airlines, other partners and directly to member of the program, the miles are valued by the consideration amount received.

The loyalty liability for unused accumulated miles is recognized under "Frequent Flyer Deferred Revenue". The loyalty revenue is recognized when miles are redeemed. The Group recognizes revenue from the sale of miles that are expected to expire unused ("Breakage") based on historical data and experience. The breakage estimate is periodically reviewed and its changes are accounted prospectively through profit and loss with a 'catch-up' adjustment to the corresponding deferred revenue balance.

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(g) Income tax

Income tax expense is comprised of current and deferred taxes and is accounted for in accordance with IAS 12 "Income Taxes". Current and deferred tax is recognized within profit or loss except to the extent that it relates to transactions recognized in the same or different period outside of profit or loss, either in other comprehensive income or directly in equity or a business combination.

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to calculate the amount are those that are enacted, or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current and deferred taxes are recognized in income, except when they refer to items that are recognized outside of income, either in other comprehensive income or directly within stockholders' equity, respectively. When the initial recognition of a business combination arises, the tax effect is included within the recognition of the business combination.

Management periodically evaluates positions taken within the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred income tax

Deferred tax is recognized for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized to the extent that is probable that the temporary differences, the carry forward of unused tax credits and any unused tax losses can be utilized except to the extent that it arises on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re–assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognized, except:

- With respect to taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intends to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

(h) Property and equipment

(i) Recognition and measurement

Flight equipment, property and other equipment are measured at cost less accumulated depreciation and accumulated impairment losses in accordance with IAS 16 “Property, Plant and Equipment”.

Property, operating equipment, and improvements that are being built or developed for future use by the Group are recorded at cost as under–construction assets. When under–construction assets are ready for use, the accumulated cost is reclassified to the respective property and equipment category.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gain and losses on disposal of an item of flight equipment, property and equipment are determined by comparing the proceeds from disposal with the carrying amount.

(ii) Subsequent costs

The costs related to the maintenance of the fuselage and the engines of an aircraft are capitalized and depreciated for the shorter period between the next scheduled maintenance or the return of the asset. The depreciation rate depends on the estimated useful life of the asset, which is based on projected cycles and

flight hours. Expenses incurred for routine maintenance of aircraft and engines are recorded as expenses as incurred.

(iii)Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in the consolidated statement of comprehensive income on a straight–line basis over the estimated useful lives of flight equipment, property and other equipment, since this method most closely reflects the expected pattern of consumption of the future economic benefits associated to the asset.

Rotable spare parts for flight equipment are depreciated on the straight–line method, using rates that allocate the cost of these assets over the estimated useful life of the related aircraft. Land is not depreciated.

Estimated useful lives are as follows:

Flight equipment	Estimated useful life (years)
Aircraft, and aircraft right of use	For right of use 2 – 12. The useful lives of the own aircraft depend on the use of the fleet and technical specifications.
Aircraft components and engines	Useful life of fleet associated with component or engines.
Aircraft major overhaul repairs	4 – 6
Rotable parts	Useful life of fleet associated.
Leasehold improvements	Lesser of remaining lease term and estimated useful life of the leasehold improvement.
Administrative Property	20 – 50
Vehicles	2 – 10
Machinery and equipment	2 –15

Residual values, amortization methods and useful lives of the assets are reviewed and adjusted, if appropriate, at each reporting date.
The carrying value of flight equipment, property and other equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable and the carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(iv) Revaluation and other reserves

Administrative properties in Bogota, San Salvador, and San Jose are recorded at revaluation cost less accumulated depreciation on buildings and impairment losses recognized at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from it carrying amount. A revaluation reserve is recorded in other comprehensive income and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

(i) Leased assets

(i) Leases

At inception date of the contract, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract transfers the right to control the use of an asset for a period in exchange for compensation. To assess whether a contract transfers the right to control the use of an identified asset, the Group uses the definition of lease in IFRS 16, or short-term leases, recognizing it as an expense on a straight-line basis over the term of the lease.

(ii) Assets by right of use

The Group recognizes the assets for right of use on the commencement date of the lease, i.e., the date on which the underlying asset is available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and are adjusted for any new measurement of lease liabilities. The cost of the assets with the right to use includes the amount of the recognized lease liabilities, the initial direct costs incurred, and the lease payments made on or before the start date, less the lease incentives received. The assets recognized by right of use are depreciated in a straight line during the shortest period of their estimated useful life and the term of the lease. The assets by right of use are subject to impairment.

(iii) Lease liabilities

At the commencement date of the lease, the Group recognizes the lease liabilities measured at the present value of the lease payments that will be made during the term of the lease. Lease payments include fixed payments, less any lease incentives receivable and variable lease payments that depend on an index or a rate.

Lease payments also include the price of a purchase option that the Group can reasonably exercise and penalty payments for terminating a lease.

Variable lease payments that do not depend on an index or a rate, including Power by the Hour ("PBH") payments, are recognized as an expense during the period in which the event or condition that triggers the payment occurs.

At the commencement or amendment of a contract that contains a lease component, the Group assigns the consideration in the contract to each lease component based on their relative independent prices. However, the Group has chosen not to separate the non-lease components of property leases, and to account for the lease and non-lease components as a single lease component.

Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

(iv) Short Term Leases

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including variable payment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the respective assets in accordance with IAS 23 "Borrowing Costs". Borrowing costs are comprised of interest and other costs that an entity incurs in connection with the borrowing of funds.

(k) Intangible assets

Intangible assets acquired separately are initially measured at cost in accordance with IAS 38 "Intangible Assets". The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

	Estimated useful life (years)
Trademarks	Indefinite
Slots	Indefinite

Customer Relationships	15 – 20
Routes	Indefinite
Agreements	10
Software and webpages	4

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income within depreciation and amortization.

Intangible assets with indefinite useful lives are not amortized but they are tested for impairment annually, either individually or at the cash–generating unit level, without exceeding a business segment. Impairment measurement is currently carried out at the level of the air transport segment. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains and losses arising from the de–recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Goodwill is measured initially at cost, represented by the excess of the sum of the consideration transferred and the amount recognized for the non-controlling interest, with respect to the net of the identifiable assets acquired and the liabilities assumed. If this consideration is less than the fair value of the net assets acquired, the difference is recognized as a gain at the date of acquisition.

After initial recognition, Goodwill is measured at cost less any accumulated impairment loss. For the purpose of impairment tests, Goodwill acquired in a business combination is assigned to each company acquired and from the date of acquisition and an impairment measurement is carried out at the air segment level. Goodwill and indefinite-lived intangible assets are not amortized but are reviewed for impairment annually or more frequently if events or circumstances indicate that the asset may be impaired.

The Group’s intangible assets include the following:

(i) Software, webpages and Cloud Computing

Acquired computer software licenses are capitalized based on cost incurred to acquire, implement, and bring the software into use. Costs associated with maintaining computer software programs are expensed as incurred. In case of development or improvement to systems that will generate probable future economic benefits, the Group capitalizes software development costs, including directly attributable expenditures on materials, labor, and other direct costs.

Acquired software cost is amortized on a straight-line basis over its useful life.

Licenses and software rights acquired by the Group have finite useful lives and are amortized on a straight–line basis over the term of the contract. Amortization expense is recognized in the consolidated statement of comprehensive income.

Cloud computing agreements correspond to a fee paid to a provider in exchange for access to the software through the Internet. The software is hosted by the supplier in its IT infrastructure. Directly attributable costs of preparing the software for its intended use are capitalized only when an intangible software asset is acquired. Therefore, directly attributable costs incurred to prepare the software for its intended use (for example, testing, data migration and conversion, training, software configuration, software customization, etc.) are not capitalized. These costs are only capitalized and recognized over a longer period when the implementation service differs from the service of receiving access to the software; or the cost gives rise to an independent intangible asset controlled by the Company who acquires it.

(ii) Routes, customer relationships, agreements, slots, and trademarks

Routes, customer relationships, agreements, slots, and trademarks are carried at cost, less any accumulated amortization and impairment. The useful life of intangible assets associated with trademark rights are based on management's assumptions of estimated future economic benefits. The useful life of intangible assets associated with agreements rights and obligations is based on the term of the contract. The intangible assets are amortized over their useful lives of between two and twenty years. Certain trademarks and the routes have indefinite useful lives and therefore are not amortized but are tested for impairment at least at the end of each reporting period.

(l) Financial instruments – initial recognition, classification, and subsequent measurement

(i) Financial assets

Financial assets are classified in the initial recognition as follows:

- Measured at amortized cost,
- At fair value through changes in other comprehensive income (OCI) and
- At fair value through profit or loss.

The classification of financial assets in the initial recognition depends on the characteristics of the contractual cash flow of the financial asset and the Group's business model for its administration. A financial asset (unless it is a trade receivable without a significant financial component) or financial liability is initially measured at fair value plus or minus for an item not at FVTPL, transaction costs that are directly attributable so its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

For a financial asset to be classified and measured at amortized cost or at fair value through OCI, it must give rise to cash flows that are "only capital and interest payments" over the outstanding principal amount. This evaluation is known as the SPPI test and is performed at the instrument level.

Subsequent measurement

For subsequent measurement purposes, financial assets are classified within three categories:

- at amortized cost;
- at fair value through other comprehensive income; or
- at fair value through profit or loss.

Financial assets at amortized cost

The Group measures financial assets at amortized cost if the following conditions have been met:

- The financial asset is held within a business model for which the objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method (EIM) and are subject to impairment. Profits and losses are recognized in results when the asset is written off, modified or impaired.

The Group's financial assets at amortized cost include trade accounts receivable, accounts receivable with related parties, accounts receivable from employees and other non-current financial assets.

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if the following conditions are met:

- The financial asset is held within a business model for which the objective is to achieve by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to the cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of sale or repurchase in the short term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not only

capital and interest payments are classified and measured at fair value through profit or loss, regardless of the business model.

Financial assets at fair value through profit or loss are recorded within the Statement of Financial Position, at fair value with net changes, recognized within the statement of comprehensive income.

This category includes derivatives and listed equity investments that the Group had not irrevocably chosen to be classified at fair value through OCI.

Impairment of financial assets

The Group recognizes a reserve for expected credit losses (ECL) for all debt instruments that are not held at fair value through profit or loss. The ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

The Group applies a simplified approach when calculating ECL for trade accounts receivable and contractual assets. Therefore, the Group does not track changes in credit risk, but recognizes a loss adjustment based on ECL for life at each reporting date. The Group has established a provision matrix that is based on its historical experience of credit losses, adjusted by specific prospective factors for debtors and the economic environment.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized primarily when:

- The rights to receive cash flows from the asset have expired.

- The Group has transferred its rights to receive cash flows from the asset or has assumed the obligation to pay the cash flows received in full without significant delay to a third party under a "transfer" agreement, and (a) the Group has transferred substantially all the risks and benefits of the asset, or (b) the Group has not transferred or retained substantially all the risks and benefits of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a transfer agreement, it evaluates whether and to what extent it has retained the risks and benefits of ownership. When it has not transferred or retained substantially all the risks and benefits of the asset, nor transferred control of the asset, the Group continues to recognize the asset transferred to the extent of its continued participation. In this case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

The ongoing participation that takes the form of a guarantee on the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group may have to repay.

(ii) Financial Liabilities

Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss, loans and debt, accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are initially recognized at fair value and, in the case of loans and debt and accounts payable, net of directly attributable transaction costs.

The Group's financial liabilities include trade accounts payable and other accounts payable, loans and debt, including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at initial recognition as at fair value through profit or loss.

The Group has not designated any financial liability at fair value with changes in results.

Loans carried at amortized cost.

This is the most relevant category for the Group. After initial recognition, interest-bearing loans are subsequently measured at amortized cost using the effective interest method (EIM). Profits and losses are recognized in results when liabilities are derecognized in accounts, as well as through the EIM amortization process.

The amortized cost is calculated considering any discount or premium on the acquisition and the fees or costs that are an integral part of the EIM. The amortization of the EIM is included as financial costs in the income statement.

This category generally applies to loans and debt that accrue interest.

Derecognition financial instruments

Financial liability is derecognized when the obligation under the liability is canceled or expires. When an existing financial liability is replaced by another of the same lender in substantially different terms, or the terms of an existing liability are substantially modified, said exchange or modification is treated as the derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized within the income statement.

Compensation of assets and financial liabilities

Financial assets and liabilities are offset, and the net amount is recorded within the consolidated statements of financial position, if and only if, you have the legal right to offset the amounts recognized and there is an intention to cancel them on a net basis, or, to realize the assets and cancel the liabilities simultaneously.

(iii) Fair value of financial instruments

The fair value of the financial instruments that are traded in the active markets on each reporting date is based on the prices quoted by the market (on the prices of purchase and sale prices on the stock exchange), not including deductions for transaction costs.

In the case of financial instruments that are not traded in active markets, fair value is determined using valuation techniques. These techniques may include recent purchase and sale transactions at arm's length prices, reference to the fair value of other basically identical financial instruments, an analysis of the discounted cash flow, or recourse to other valuation models.

Note 25 includes an analysis of the fair values of financial instruments and more details on how they are valued.

(iv) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as call option commodity contracts, to hedge its commodity price risks, specifically WTI or jet fuel prices. These derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered. Subsequent to initial recognition, derivatives are carried at fair value as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income within equity, while any ineffective portion of cash flow hedge related to operating and financing activities is recognized immediately within the consolidated statement of comprehensive income.

Amounts recognized as other comprehensive income are transferred to the consolidated statement of comprehensive income when the hedged transaction affects earnings, such as when the hedged financial income or financial expense is recognized or when an expected sale occurs. In the instance where the hedged item is the cost of a non–financial asset or non–financial liability, the amounts recognized as other comprehensive income are transferred to the initial carrying amount of the non–financial asset or liability.

(m) Expendable spare parts and supplies

Expendable spare parts and supplies are shown at the lower of their cost and replacement cost. The cost is determined based on the weighted average cost method (WAC). The replacement cost is the estimated purchase price in the ordinary course of business. The group made a provision for obsolescence for inventories that were slow-moving or unused.

(n) Cash and Cash equivalents

Cash and cash equivalents in the consolidated financial statements position are comprised of cash at banks and on hand and short–term deposits with original maturity of three months or less, which are subject to an insignificant risk of change in value. Cash and cash equivalent balances that have usage constraints due to contractual agreements are classified as a restricted cash.

For the consolidated statement of cash flows, cash and cash equivalents are comprised of cash and short–term deposits and restricted cash as defined above, net of outstanding bank overdrafts, if any.

As of December 31, 2022, in the Consolidated Statement of Financial Position, the Group reported restricted cash in a separate caption; as of December 31, 2023, the Group reported restricted cash as cash equivalent in the caption “Cash and Cash Equivalents”. In the consolidated statements of cash flows for 2023 and 2022, the restricted cash is presented as part of the cash and cash equivalents.

(o) Impairments of non-financial assets

The Group reviews flight equipment and other long-lived assets used in operations for impairment losses when events and circumstances indicate the assets may be impaired. Factors which could be indicators of impairment include, but are not limited to, (1) a decision to permanently remove flight equipment or other long-lived assets from operations, (2) significant changes in the estimated useful life, (3) significant changes in projected cash flows, (4) permanent and significant declines in fleet fair values and (5) changes to the regulatory environment. For assets held for sale, the Group discontinues depreciation and records impairment losses when the carrying amount of these assets is greater than the fair value less the cost to sell.

For purposes of this testing, the Group has identified the air transportation business unit and the loyalty program as the lowest level of identifiable cash flows. An impairment loss is recognized if the carrying amount exceeds its recoverable amount.

The recoverable amount of an asset, or cash-generating unit ("CGU"), is the greater of its value in use or its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time, value of money, and the risks specific to the asset or CGU.

Goodwill and indefinite-lived intangible assets are not amortized but are reviewed for impairment annually or more frequently if events or circumstances indicate that the asset may be impaired.

Impairment losses are recognized within profit or loss and are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the current amount of the other assets in the CGU on a pro rata basis.

(p) Security deposits for aircraft and engines

The Group is required pay security deposits for certain aircraft and engine lease agreements. Reimbursable aircraft deposits are stated at cost.

Deposits that have fixed or determinable payments that are not quoted in an active market are recorded as "Deposits and other assets". These assets are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate.

Guarantee and collateral deposits are represented by amounts deposited with lessors, as required at the inception of the lease agreements. The deposits are typically denominated in U.S. Dollars, do not bear interest and are reimbursable to the Group upon termination of the agreements.

(q) Provisions

The Group recognized provisions in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets. Material provisions in the consolidated financial statements position are comprised in Accrued Expenses, Provisions for legal claims and provisions for return conditions.

(i) Provision for legal Claims

Provisions are established for all legal claims related to lawsuits for which it is probable that an outflow of funds will be required to settle the legal claims obligation net of insurance and a reliable estimate can be made. The assessment of probability of loss includes assessing the available evidence, the hierarchy of laws, available case law, the most recent court decision, and their relevance within the legal system, as well as the legal counsel's assessment.

If the effect of the time value of money is material, provisions are discounted using a current pre–tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a financial cost.

(ii) Provision for return condition

On the lease commencement date, the Group records a provision to accrue for the cost that will be incurred in order to return the leased aircraft to their lessor in the agreed-upon condition, which is capitalized in the right-of-use asset and recognized as a liability for return condition. The methodology applied to calculate said provision requires management to make assumptions, including the future costs of returning the aircraft, discount rate, and aircraft utilization.

Any variation in the actual maintenance cost incurred and the amount of the provision is recorded under "Maintenance and repairs" in the consolidated statement of profit or loss.

(r) Employee Benefits

The Group sponsors defined employee benefit pension plans which require contributions to separately administered funds. The Group also provides certain additional post–employment benefits to senior employees in Colombia. These benefits are unfunded. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit cost method.

Actuarial gains and losses for defined benefit plans are recognized in full during the period in which they occur within other comprehensive income.

For Avianca S.A. CAXDAC defined benefit plan, the pension liability as of December 31, 2023, was measured at discount rate of 7.12% (December 31, 2022: 8.14%), less the fair value of the plan assets with which the obligations will be settled. The discount rate is determined by reference to market yields at the end of the reporting period. Plan assets correspond to transfers paid by the Group plus plan yields.

For Avianca S.A. and Tampa Cargo S.A.S. components, plan assets are not available for payments to creditors and cannot be paid directly to the Group. Fair value is based on market price information and in the case of quoted securities on the published bid price.

The other defined benefits plans are measured under IAS 19 (issued in June 2011 and amended in November 2013). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset). It considers any changes in the net defined benefit liability (asset) during the period related to contributions and benefit payments. The net interest on the net defined benefit liability (asset) comprises:

- Interest income on plan assets,
- Interest cost on the defined benefit obligation; and
- Interest on the effect of the asset ceiling.

Additionally, the Group offers the following employee benefits:

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an expense within the consolidated statement of comprehensive income when they are due.

(ii) Termination benefits

Termination benefits are recognized as an expense at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(s) Interest income and interest expense

Interest income is comprised of interest income on funds invested (including available–for–sale financial assets) and changes in the fair value of financial assets at fair value through the consolidated statement of comprehensive income that are recognized within the consolidated statement of comprehensive income. Interest income is recognized as accrued within the consolidated statement of comprehensive income, using the effective interest rate method.

Interest expense is comprised of interest expense on borrowings, unwinding of the discount on provisions and changes in the fair value of financial assets at fair value through the consolidated statement of comprehensive income that are recognized in the consolidated statement of comprehensive income. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized within the consolidated statement of comprehensive income using the effective interest method.

Financial expenses related to loans are presented in the consolidated statement of cash flows as part of the financing activities.

(4) Accounting standards issued but not yet effective

The Group initiated the application of certain standards and amendments to standards, effective for those reporting periods subsequent to January 1, 2023, without significant impact on the Group´s consolidated financial statements. The Group has applied the IAS12 amendment in 2022 and there were not significant adjustments.

The Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements:

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (amendments to IAS 1)

- Modifies the requirement to classify a liability as current by establishing that a liability is classified as current when “at the end of the reporting period it does not have the right to defer the settlement of the liability for at least the following twelve months.”

- Clarifies within paragraph 72A that "the right of an entity to defer the settlement of a liability for at least twelve months after the reporting period must be substantial and, as paragraphs 73 to 75 illustrate, must exist at the end of the reporting period."
- As disclosed in note 16, the Group has a debt contracts that are subject to specific covenants. While both liabilities are classified as non-current as of December 31, 2023, a future breach of the related covenants may require the Group to repay the liabilities earlier than the contractual maturity dates. The Group is in the process of assessing the potential impact of the amendments on the classification of these liabilities and the related disclosures.

These amendments are effective as of January 1, 2024.

Lease liability in sale and leaseback (Amendments to IFRS 16)

The amendments to IFRS 16 Leases affect how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reevaluate and potentially restate sale and leaseback transactions made since 2019. The Group is in the process of assessing the potential impact of the amendment.
This amendment is effective as of January 1, 2024.

Other Accounting Standards

The following new and amended accounting standards are not expected to have significant impact on the Group´s consolidated financial statements:

- Lack of Exchangeability (Amendments to IAS 21)
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)

(5) Segment Information

The Group reports information by segments as established in IFRS 8 "Operating segments". The Group has two reportable segments, as follows:

- Air transportation: Corresponds to passenger and cargo operating revenues on scheduled flights and freight transport, respectively.
- Loyalty: Corresponds to the loyalty program, for the airline subsidiaries of Avianca Group International Limited.

The Board of Directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of its reportable segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on statement of comprehensive income and is measured consistently with the Group´s consolidated financial statements.

The Group's operational information by reportable segment is as follows:

	For the year ended December 31, 2023			
	Air transportation	**Loyalty**	**Eliminations**	**Consolidated**
Operating revenue				
External customers	$ 4,471,420	$ 299,706	$ —	$ 4,771,126
Inter-segment	50,280	3,996	(54,276)	—
Total operating revenue	**4,521,700**	**303,702**	**(54,276)**	**4,771,126**
Operating expenses before depreciation and amortization	3,567,535	189,589	(54,276)	3,702,848
Depreciation and amortization	445,981	23,331	(19,578)	449,734
Operating profit	**508,184**	**90,782**	**19,578**	**618,544**
Interest expense	(469,757)	(40,544)	—	(510,301)
Interest income	45,840	3,074	—	48,914
Foreign exchange	(18,310)	16	—	(18,294)
Equity method profit	1,066	—	—	1,066
Income tax expense	(1,839)	(86)	—	(1,925)
Net Income for the period, from continuing operations	**65,184**	**53,242**	**19,578**	**138,004**
Loss from discontinuing operations	(6,654)	—	—	(6,654)
Net Income for the period	**$ 58,530**	**$ 53,242**	**$ 19,578**	**$ 131,350**
Total Assets – December 31, 2023	**$ 7,762,606**	**$ 1,012,618**	**$ (142,177)**	**$ 8,633,047**
Total Liabilities – December 31, 2023	**$ 6,991,556**	**$ 844,427**	**$ (84,168)**	**$ 7,751,815**

The Group's operational information by reportable segment is as follows:

	For the year ended December 31, 2022			
	Air transportation	**Loyalty**	**Eliminations**	**Consolidated**
Operating revenue				
External customers	$ 3,834,524	$ 213,332	$ —	$ 4,047,856
Inter-segment	9,305	2,873	(12,178)	—
Total operating revenue	**3,843,829**	**216,205**	**(12,178)**	**4,047,856**
Operating expenses before depreciation and amortization	3,477,795	168,617	(12,178)	3,634,234
Depreciation and amortization	318,972	22,715	(8,153)	333,534

Operating profit	**47,062**	**24,873**	**8,153**	**80,088**
Interest expense	(365,490)	(32,759)	—	(398,249)
Interest income	12,604	1,771	—	14,375
Foreign exchange	(9,772)	(85)	—	(9,857)
Equity method profit	523	—	—	523
Income tax expense	(6,962)	(356)	—	(7,318)
Net (loss) for the period, from continuing operations	**(322,035)**	**(6,556)**	**8,153**	**(320,438)**
Loss from discontinuing operations	(1,856)	—	—	(1,856)
Net (loss) for the period	**$ (323,891)**	**$ (6,556)**	**$ 8,153**	**$ (322,294)**
Total Assets – December 31, 2022	**$ 6,335,692**	**$ 1,010,188**	**$ (126,068)**	**$ 7,219,812**
Total Liabilities – December 31, 2022	**$ 5,610,740**	**$ 887,180**	**$ (82,610)**	**$ 6,415,310**

Inter-segment revenues are eliminated upon consolidation and are reflected within the "Eliminations" column.

The Group's revenues by geographic area are as follows:

	For the year ended December 31, 2023	For the year ended December 31,2022
Colombia	$ 2,078,665	$ 1,779,759
Central America and the Caribbean	704,241	591,257
United States of America	798,736	736,154
South America (excluding Colombia)	708,344	599,252
Other	481,140	341,434
Total operating revenue	**$ 4,771,126**	**$ 4,047,856**

The Group allocates revenues by geographic area based on a given flight's point of origin. Non-current assets are comprised primarily of aircraft and aeronautical equipment, which are used throughout different countries and are therefore not assignable to any geographic area.

(6) Financial risk management

The Group has exposure to different risks from its use of financial instruments, namely, liquidity risk, commodity risk, foreign currency risk, interest rate risk, credit risk and capital risk management.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established mechanisms for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards

and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The primary sources of funds are cash provided by operations and cash provided by financing activities. The primary uses of cash are for working capital, capital expenditures, leases, and general corporate purposes. Historically, the Group has been able to fund our short-term capital needs with cash generated from our operations.

We believe that the above sources, including our debt financing management and cash flow generated from operating activities, are sufficient for our current working capital requirements.

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments. The amounts under the "Years" columns represent the contractual undiscounted cash flows of each liability.

As of December 31, 2023

			Years				
	Carrying amount	**Contractual cash flows**	**One**	**Two**	**Three**	**Four**	**Five and thereafter**
Short–term borrowings	$ 219,608	$ 219,608	$ 219,608	$ —	$ —	$ —	$ —
Long-term debt	2,268,613	3,500,823	417,645	294,793	470,604	218,342	2,099,439
Rights of use - IFRS 16	2,283,389	3,466,065	481,474	468,872	450,120	414,017	1,651,582
Total, debt	**$ 4,771,610**	**$ 7,186,496**	**$ 1,118,727**	**$ 763,665**	**$ 920,724**	**$ 632,359**	**$ 3,751,021**
Accounts payable	550,680	550,680	550,680	—	—	—	—
Accrued expenses	85,799	85,799	85,799	—	—	—	—
Contractual maturities	**$ 5,408,089**	**$ 7,822,975**	**$ 1,755,206**	**$ 763,665**	**$ 920,724**	**$ 632,359**	**$ 3,751,021**

As of December 31, 2022

			Years				
	Carrying Amount	**Contractual cash flows**	**One**	**Two**	**Three**	**Four**	**Five and thereafter**
Short–term borrowings	$ 80,413	$ 80,413	$ 80,413	$ —	$ —	$ —	$ —
Long-term debt	2,306,831	3,049,291	213,361	316,107	233,658	187,727	2,098,438
Rights of use - IFRS 16	1,597,591	2,323,697	302,426	309,851	314,633	299,302	1,097,485
Total debt	**$ 3,984,835**	**$ 5,453,401**	**$ 596,200**	**$ 625,958**	**$ 548,291**	**$ 487,029**	**$ 3,195,923**
Liabilities associated with the assets held for sale	6,465	6,465	6,465				
Accounts payable	429,854	429,854	429,854	—	—	—	—
Accrued expenses	54,577	54,577	54,577	—	—	—	—
Contractual maturities	**$ 4,475,731**	**$ 5,944,297**	**$ 1,087,096**	**$ 625,958**	**$ 548,291**	**$ 487,029**	**$ 3,195,923**

(b) Fuel price risk

The Group´s operations require a significant volume of jet fuel, being one of the most important costs through the year. Oil prices fell by about 23.5%, from the last peak in September 2023, where the price reached $93.6 per barrel, contrary to expectations, the price of jet fuel continued at elevated levels close to $2.3 dollar per gallon, aligned with higher crude oil refining costs and inflationary pressures worldwide. The Group has implemented several strategies to relieve macroeconomic headwinds and unexpected catastrophic events, mainly aiming to recapture incremental fuel costs via fare increases and acquiring fuel derivative assets to cover significant fluctuations in price.

This has primarily been achieved through fare increases in those markets with supportive demand dynamics, thereby offsetting the impact of jet fuel price increases in the passenger segment and fully compensating the effect in the cargo segment thanks to the high fares sustained through the year. Furthermore, capacity has been reduced and/or optimized to improve operational performance in those markets where the passthrough via fare increases has been more difficult to achieve, enabling an increased focus on more profitable markets.

In addition, in 2023 Avianca purchased call options with West Texas Intermediate (WTI) and jet fuel as an underlying asset to cover a portion of fuel consumption for the last quarter of the year, enabling the Company to protect against fuel price increases and volatility. The Group spent $4,079 in premiums related to those fuel call options. At the end of 2023 all derivative options were closed, and more hedging is not expected for 2024. (See note 24).

Sensitivity analysis

Fuel price fluctuation impacts on profit and/or loss are illustrated below. This analysis was made considering a parallel movement of 5%, 10% and 15% per gallon in the underlying reference price at the end of December 2023. The projection period was defined until the end of 2024. This analysis assumes that all other variables remain constant and considers the effect of changes in jet fuel price.

	Effect in profit or loss			
	December 31, 2023		December 31, 2022	
	Increase	Decrease	Increase	Decrease
5% movement	$ (64,456)	$ 64,456	$ (83,028)	$ 83,028
10% movement	$ (128,912)	$ 128,912	$ (166,055)	$ 166,055
15% movement	$ (193,367)	$ 193,367	$ (249,083)	$ 249,083

(c) Foreign currency risk

The foreign currency risk arises when the Group carries out transactions and maintains monetary assets and liabilities in currencies other than its functional currency.

The functional currency used by the Group to establish the prices of its services is the US dollar. The Group sells most of its services at prices equivalent to the US dollar and a large part of its expenses are denominated in US dollars or are indexed to that currency, particularly fuel costs, maintenance costs, aircraft leases, lease payments, aircraft, insurance and aircraft components and accessories. The remuneration expenses are denominated in local currencies.

The Group maintains its freight and passenger rates in US dollars. Although sales in domestic markets are made in local currencies, prices are indexed to the US dollar.

The profit or loss in foreign currency is derived primarily from the revaluation/depreciation of the Colombian Peso and Argentinian peso against the US Dollar. For the year ended December 31, 2023, the Group recognized a net loss from of $(18,294) (December 31, 2022: $(9,857).

Mitigation

To mitigate the exchange rate risk, the Group has direct and indexed sales in strong currencies, including dollars, the foreign currency exchange rate risk is mitigated, thus covering a relevant portion of its expenses in dollars. In our Income Statement it suggests that there is not a high correlation between the USD exchange rate variation and the company results in operating profit.

The summary quantitative data about the Group’s exposure to currency risk as reported to the management of the Group based on its risk management policy is as follows:

	December 31, 2023							
	USD	**Colombian Pesos**	**Euros**	**Mexican Pesos**	**Argentinean Pesos**	**Brazilian Reals**	**Others**	**Total**
Cash and cash equivalents	$ 721,017	$ 39,544	$ 2,374	$ 3,088	$ 752	$ 2,173	$ 14,910	$ 783,858
Short term investments	255,110	1,669	-	-	—	—	774	257,553
Trade and other receivables, net of expected credit losses	125,585	58,865	15,951	2,583	1,072	37,465	21,912	263,433
Short-term borrowings and current portion of long-term debt	(474,536)	(874)	—	(767)	—	—	—	(476,177)
Long-term debt	(4,232,320)	(59,808)	—	(3,305)	—	—	—	(4,295,433)
Accrued expenses	(73,192)	(7,617)	(851)	(440)	—	(2,679)	(1,020)	(85,799)
Accounts payable	(344,148)	(148,077)	(15,983)	(12,790)	(1,445)	(5,166)	(23,071)	(550,680)
Net financial position exposure	**$ (4,022,484)**	**$ (116,298)**	**$ 1,491**	**$ (11,631)**	**$ 379**	**$ 31,793**	**$ 13,505**	**$ (4,103,245)**

	December 31, 2022							
	USD	**Colombian Pesos**	**Euros**	**Mexican Pesos**	**Argentinean Pesos**	**Brazilian Reals**	**Others**	**Total**
Cash and cash equivalents	$ 704,953	$ 71,534	$ 5,026	$ 2,404	$ 9,285	$ 2,317	$ 21,197	$ 816,716
Short term investments	43,335	1,171	—	—	—	—	337	44,843
Trade, and other receivables, net of expected credit losses	221,987	54,678	15,420	3,204	8,289	16,740	19,368	339,686
Long-term debt	(3,934,422)	—	—	—	—	—	—	(3,934,422)
Short-term borrowings and current portion of long-term debt	(50,413)	—	—	—	—	—	—	(50,413)
Liabilities associated with the assets held for sale	—	(6,465)	—	—	—	—	—	(6,465)
Accrued expenses	(47,461)	(3,586)	(373)	(143)	(27)	(2,572)	(415)	(54,577)
Accounts payable	(260,704)	(92,413)	(34,776)	(1,505)	(5,077)	(12,258)	(23,163)	(429,896)
Net financial position exposure	**$ (3,322,725)**	**$ 24,919**	**$ (14,703)**	**$ 3,960**	**$ 12,470**	**$ 4,227**	**$ 17,324**	**$ (3,274,528)**

Sensitivity analysis

A reasonably possible strengthening (weakening) of Colombian pesos, Euros, Mexican Pesos, Argentinean Pesos and Brazilian Real against all other currency on December 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amount shown below. This analysis assumes that all other variables remain constant and considers the effect of changes in the exchange rate, which is the rate that could materially affect the Group's consolidated statement of comprehensive income.

		Effect in profit or loss				
	Change forecast in exchange rate	**December 31, 2023**		**Change forecast in exchange rate**	**December 31, 2022**	
Colombian Pesos	21% movement	$ (24,423)	$ 24,423	(21%) movement	$ (5,233)	$ 5,233
Euros	3 % movement	45	(45)	(6%) movement	882	(882)
Mexican Pesos	13 % movement	(1,512)	1,512	5% movement	198	(198)
Argentinean Pesos	(356%) movement	(1,349)	1,349	(72%) movement	(8.978)	8.978
Brazilian Reals	8% movement	2,543	(2,543)	5% movement	211	(211)

(d) Interest rate risk

The Group incurs interest rate risk mainly on financial obligations with banks and aircraft lessors. These lease payments long-term lease payments at interest floating rates expose the Group to the cash flow risk. Interest rate risk is managed through a mix of fixed and floating rates on loans and lease agreements, combined with interest rate swaps.

The Group assesses interest rate risk by monitoring and identifying changes in interest rate exposures that may adversely impact expected future cash flows and by evaluating hedging opportunities. The Group maintains risk management control systems to monitor interest rate risk attributable to both the Group's outstanding or forecasted debt obligations.

At the reporting date the interest rate profile of the Group's interest–bearing financial instruments is:

Carrying amount – asset/(liability)	**December 31, 2023**	**December 31, 2022**
Fixed rate instruments		
Financial assets	$ 1,005,887	$ 698,336
Financial liabilities	(1,873,684)	(1,702,110)
Total	**$ (867,797)**	**$ (1,003,774)**
Floating rate instruments		
Financial assets	$ 9,897	$ 14,739
Financial liabilities	(614,537)	(685,134)
Total	**$ (604,640)**	**$ (670,395)**

A reasonably possible change of 5%, 10% and 15% in interest rate at the reporting as of December 31, 2023, are date would have increase (decrease) profit or loss, for floating rate instruments. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Effect in profit or loss			
	December 31, 2023		December 31, 2022	
	Increase	Decrease	Increase	Decrease
5% movement	$ 2,586	$ (2,586)	$ 2,880	$ (2,880)
10% movement	$ 5,171	$ (5,171)	$ 5,759	$ (5,759)
15% movement	$ 7,757	$ (7,757)	$ 8,639	$ (8,639)

(e) Credit Risk

Credit risk is the potential loss from a transaction in the event of default by the counterparty during the term of the transaction or on settlement of the transaction. Credit exposure is measured as the cost to replace existing transactions should a counterparty default.

There are no significant concentrations of credit risk at the special purpose consolidated statement of financial position date. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Impairment losses on financial assets and contract assets recognized in profit or loss on 31 December 31, 2023, are as follows:

	December 31, 2023	December 31, 2022
Impairment loss on trade receivable and contract assets arising from contracts with customers	$ 12,699	$ 8,736

The Group conducts transactions with the following major types of counterparties:

Cash, cash equivalents and deposits with banks and financial institutions

In order to reduce counterparty risk and to ensure that the risk assumed is known and managed by the Group, investments are diversified among different banking institution (both local and international). The Group evaluates the credit standing of each counterparty and the levels of investment, based on (i) their credit rating, (ii) the equity size of the counterparty, and (iii) investment limits according to the Group level of liquidity. According to these three parameters, the Group chooses the most restrictive parameter of the previous three and based on this, establishes limits for operations with each counterparty.

To mitigate the credit risk arising from deposits in bank, the Group only conducts business with financial institutions that have an investment grade above BBB- from Standard & Poor's and the equivalent rating by Moody's and liquidity indicators aligning with or above the market average. For the investments in

financial instruments, different from deposits in bank, the Group requires a grade above A- from Standard & Poor's and equivalent rating by Moody's.

The Group has established a policy to perform an assessment, at the end of each quarterly reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by monitoring changes in credit risk ratings published by Standard & Poor's and Moody´s.

Trade receivables and contract assets

The Group's exposure to credit risk is mainly influenced by the characteristics of corporate and individual customers. The Group has established a credit policy under which the customer is analyzed by group if it is a natural or legal person to determine its solvency before payment and the terms and conditions of the service offered. The evaluation includes external qualifications and validation in restrictive lists and considers that the main corporate customers are companies to which cargo and courier services are provided since the Passenger and cargo processes handled with the International Air Transport Association (IATA – International Air Transport Association) have established payment terms and schedules of less than one month. The Group limits its exposure to the credit risk of trade accounts receivable by establishing a maximum payment term of between one and four months for individual and corporate customers.

The Group is not exposed to significant concentrations of credit risk since most accounts receivable arise from sales of airline tickets to individuals through travel agencies in various countries, including virtual agencies and other airlines. These receivables are short term in nature and are generally settled shortly after the sales are made through major credit card companies.

Cargo–related receivables present a higher credit risk than passenger, sales given the nature of processing payment for these sales. The Group is continuing its implementation of measures to reduce this credit risk for example, by reducing the payment terms and affiliating cargo agencies to the IATA, Cargo Account Settlement Systems ("CASS"). CASS is designed to simplify the billing and settling of accounts between airlines and freight forwarders. It operates through an advanced global web–enabled e–billing solution.

As of December 31, 2023, the exposure to credit risk for trade receivable and contract assets by type of counterparty is as follows:

	December 31, 2023	**December 31, 2022**
Air Transportation	$ 214,464	$ 215,150
Miscellaneous	16,120	7,250
Miles	10,803	6,262
Others	5,225	1,406
Total	**$ 246,612**	**$ 230,068**

(f) Expected credit loss assessment

The Group uses a matrix to determine the expected credit losses of trade receivables. Loss rates are calculated using historical information and other projections through a simplified method and are applied to the commercial credit portfolio. Other fixed percentages are applied for agencies that consolidate their sale through the International Air Transport Association (IATA).

As of December 31, 2023, the expected credit loss assessment is as follows:

December 31, 2023

Buckets	Percentage of expected credit loss	Gross Carrying amount	Impairment loss allowance
No past due	0.004%	$159,405	$ 3,111
Past due 1 – 30 days	0.189%	20,503	558
Past due 31 –90 days	2.40%	25,307	64
Past due more 91 days	11.32% and 100%	41,397	8,966
		$ 246,612	**$ 12,699**

December 31, 2022

Buckets	Percentage of expected credit loss	Gross Carrying amount	Impairment loss allowance
No past due	0.07%	$ 137,875	$ 384
Past due 1 – 30 days	0.39%	39,985	25
Past due 31 –90 days	4.77%	18,420	106
Past due more 91 days	11.87% and 100%	33,788	8,221
		$ 230,068	**$ 8,736**

(g) Capital risk management

The Group's capital management policy is to maintain a sound capital base in order to safeguard the Group's ability to continue as a going concern, and in doing so, face its current and long–term obligations, provide returns for its shareholders, and maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital based on the debt–to–capital ratio.

Following is a summary of the debt–to/capital ratio of the Group:

	Note	December 31, 2023	December 31, 2022
Corporate debt	16	$ 2,488,221	$ 2,387,244
Lease liabilities (Aircraft and other rents)	16	2,283,389	1,597,591
Less: cash and cash equivalents	7	(783,858)	(816,716)
Total		**$ 3,987,752**	**$ 3,168,119**
Total equity		881,232	804,502
Total capital		**$ 4,868,984**	**$ 3,972,621**
Net debt–to–capital ratio		**82%**	**80%**

(h) Fair value financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position as of December 31, 2023, are as follows.

	Notes	December 31, 2023 Carrying amount	Fair value
Financial assets			
Short term Investments	7	$ 257,553	$ 257,553
Plan assets	20	280,372	280,372
		$ 537,925	**$ 537,925**
Financial liabilities			
Short term and long-term corporate debt	16,25	**$ 2,488,221**	**$ 2,248,230**

	Notes	December 31, 2022 Carrying amount	Fair value
Financial assets			
Short term Investments	7	$ 44,843	$ 44,843
Plan assets	20	161,633	161,633
		$ 206,476	**$ 206,476**
Financial liabilities			
Short term and long term corporate debt	16,25	**$ 2,387,244**	**$ 2,155,750**

The fair value of the financial assets and liabilities corresponds the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Management considers that the carrying amount of financial assets and financial liabilities, excluding corporate debt, is approximately to the fair value.

(7) Cash and cash equivalents and Short-Term Investments

	December 31, 2023	December 31, 2022
Cash on hand and bank deposits	$ 748,343	$ 729,132
Cash equivalents (1)	19,204	48,372
Restricted cash and cash equivalents (2)	16,311	39,212
Cash and cash equivalents	**$ 783,858**	**$ 816,716**
Short - Term investments (3)	$ 232,553	$ 44,843
Restricted Short-Term investments (4)	25,000	—
Short-term investments	$ **257,553**	**$ 44,843**

(1) As of December 31, 2023, Investment Funds accrued annual interest rates between 6.18% and 19.69% in Colombian pesos (December 31, 2022: 4.47% and 15.9%); Time Deposits accrued annual interest at 3.8% in Costa Ricans Pesos (December 31, 2022: 4.35%) and between 2% and 6.38% in U.S. dollars (December 31, 2022: 1% and 6%); CDTs (Colombian term deposits) accrued annual interest rates at 14.84% in Colombian Pesos. The use of term deposits depends on the Group's cash requirements during the period.

(2) The Group has availability to restricted cash to cover events/claims, whose purpose is to support the guarantees that bank entities grant to the different third parties that require them from Avianca S.A. for the fulfillment of contracts or the provision of different operation services.

(3) The short-term classification corresponds to funds invested for terms of less than one year; investments correspond to CDTs and bonds constituted by trusts held by the Group. During the year ended December 31, 2023, five (5) Time Deposits were created for $130,000, for a term of 6, 9, and 12 months at an average rate of 5.12%, seven (7) Bonds were created for $40,143, for a term between three (3) and eleven (11) months at an average rate of 5.5% and Government Bonds and Corporate Bonds were created for $27,771 and $15,000 respectively.

(4) As of December 31, 2023, the restricted short-term classification corresponds to three (3) Time Deposits created, from restricted cash (see (2)), for $25,000 for a term between 3 and 12 months at an average rate of 4.5%.

(8) Trade and other receivables, net of expected credit losses

	December 31, 2023	December 31, 2022
Trade	$ 246,612	$ 230,068
Employee advances	4,450	3,346
Others	25,070	11,667
	$ 276,132	**$ 245,081**
Less estimate for expected credit losses (1)	(12,699)	(8,736)
Total	**$ 263,433**	**$ 236,345**
Net current	263,433	233,753
Net non-current (2)	—	2,592
Total	**$ 263,433**	**$ 236,345**

Trade receivables are non-interest bearing.

(1) The Group recognized impairment for expected credit losses as of December 31, 2023, for $12,699 (December 31, 2022: $8,736).

	December 31, 2023	December 31, 2022
Balance at beginning of year	$ 8,736	$ 3,784
Provision for expected credit losses (a)	3,963	4,952
Total	**$ 12,699**	**$ 8,736**

(a) As of December 31, 2023, the provision for expected credit losses include impairment over the loan's agreement with Rexton Enterprises S.A. for $2,694

(2) As of December 31, 2023, the loan´s agreement with Rexton Enterprises S.A. is completely impaired. As of December 31, 2022, Avianca Group International Limited (AGIL) entered into a Loan Agreement with Rexton Enterprises S.A. for a total amount of US $2,592 ($2,500 initial loan and $92 for interest capitalization).

The age of trade accounts receivable at the end of the reporting period is as follows:

	December 31, 2023	December 31, 2022
Neither past due nor impaired	$ 159,405	$ 137,875
Past due 1–30 days	20,503	39,985
Past due 31–90 days	25,307	18,420
Past due more than 91 days	41,397	33,788
Total	**246,612**	**230,068**
Less estimate for expected credit losses	(12,699)	(8,736)
Trade receivables, net of expected credit loss	**$ 233,913**	**$ 221,332**

(9) Balances and transactions with related parties

		December 31, 2023				December 31, 2022			
Company	**Country**	**Receivables**	**Payables**	**Revenues**	**Expenses**	**Receivables**	**Payables**	**Revenues**	**Expenses**
Investment Vehicle 1 Limited	Cayman Islands	$ 112,879	$ —	$ 9,385	$ —	$ 103,341	$ —	$ 761	$ —
Abra Group Limited	United Kingdom	4,744	—	—	—	—	—	—	—
MRO Holdings S.A.	Colombia	—	—	—	—	—	—	2,068	—
Caoba Capital S.A.	Panamá	—	—	—	2,500	—	—	—	—
Others	Colombia	—	79	—	—	—	42	—	5
Total		**$ 117,623**	**$ 79**	**$ 9,385**	**$ 2,500**	**$ 103,341**	**$ 42**	**$ 2,829**	**$ 5**

	December 31, 2023		December 31, 2022	
	Receivables	**Payables**	**Receivables**	**Payables**
Short term	$ 4,897	$ 79	$ —	$ 42
Long term (1)	112,726	—	103,341	—
Total related parties	**$ 117,623**	**$ 79**	$ 103,341	**$ 42**

(1) Avianca Group International Limited (AGIL) entered into an intercompany agreement with Investment Vehicle 1 Limited (IV1) in April 2022 for a total amount of US$112,726 ($97,800 initial loan and $14,926 for amortization and interest capitalization). This intercompany loan has a term of five years, the interest for which to be capitalized on and added to the outstanding balance, to be paid on the maturity date.

Key management personnel compensation expense

During the year ended December 31, 2023, the employee benefits for key management personnel were $38,338 (December 31, 2022: $29,951).

Short-term employee benefits are as follows:

	December 31, 2023	December 31, 2022
Salaries/Bonuses	$ 34,320	$ 26,000
Benefits/Social Charges	4,018	3,128
Others	—	823
Total	**$ 38,338**	**$ 29,951**

(10) Expendable spare parts and supplies

	December 31, 2023	December 31, 2022
Expendable spare parts and supplies	$ 98,030	$ 90,670
Provision for obsolescence of supplies	(4,524)	(2,092)
Total	**$ 93,506**	**$ 88,578**

For the year ended December 31, 2023, expendable spare parts and supplies in the amount of $59,598 (December 31, 2022: $49,594), were recognized as maintenance expense.

The movement of the provision for obsolescence for expendable spare parts of supplies is as follows:

	December 31, 2023	December 31, 2022
Opening Balance	$ (2,092)	$ (157)
Additions	(3,955)	(1,959)
Provisions used	1,523	24
Total	**$ (4,524)**	**$ (2,092)**

(11) Prepayments

	December 31, 2023	December 31, 2022
Premiums for insurance policies (1)	$ 9,646	$ 14,096
Others (2)	5,232	1,162
Total	**$ 14,878**	**$ 15,258**

(1) Corresponds primarily to the D&O policy (Directors & Officers).
(2) Corresponds primarily to advanced payment for wetlease operation for $4,333 and prepaid compensation to clients for $899.

(12) Deposits and other assets

	December 31, 2023	December 31, 2022
Short Term:		
Deposits with lessors (1)	$ 2,809	$ 2,718
Guarantee deposits (2)	15,069	15,958
Commission (3)	13,447	13,946
Others (5)	14,836	3,925
Subtotal	**46,161**	**36,547**
Long Term:		
Deposits with lessors (1)	$ 64,487	$ 51,745
Guarantee deposits (2)	21,123	9,265
Labor lawsuits (4)	25,369	12,483
Others	146	313
Long term investments	7,696	7,461
Subtotal	**118,821**	**81,267**
Total	$ **164,982**	$ **117,814**

(1) Corresponds primarily to operating lease aircraft agreement security deposits. These deposits are recoverable.
(2) Corresponds to the amounts paid to suppliers in relation to airport facility leasing, among other service agreements and lawsuit deposits.
(3) Corresponds to travel agency commissions.
(4) Corresponds to court deposits to guarantee civil and labor lawsuits, which remain in court until the resolution of the disputes to which they are related.
(5) Corresponds mainly to aeronautical policies.

(13) Assets and liabilities of held for sale

	December 31, 2023	December 31, 2022
Airbus aircraft and engines (1)	$ 10,743	$ 16,430
Disposal group held for sale (2)	—	9,637
Total assets held for sale	**$ 10,743**	**$ 26,067**
Liabilities associated with assets held for sale	$ —	$ 6,465
Total liabilities associated with assets held for sale	**$ —**	**$ 6,465**

(1) As of December 31, 2023, the Group classified as held for sale Three (3) aircraft A330-F, two (2) of them classified as held for sale during 2023 for $743 and one (1) maintained since 2022 in process to be sold during 2024, whose value was impaired for $1,007 during 2023. Additionally, during the year 2023, (3) three engines and (1) aircraft Airbus A320 were sold. As of December 31, 2022, certain Group subsidiaries sold fifteen (15) aircraft during 2022: five (5) Airbus A330F, six (6) Airbus A319, two (2) Airbus A320 and two (2) Airbus A321. As of December 31, 2022, the Group paid liabilities associated with assets held for sale for $161,571 (Capital: $154,811, Interest: $6,760).

(2) Disposal of Group subsidiary held for sale within Servicios Aeroportuarios Integrados SAI S.A.S. (See note 13.1).

(13.1) Discontinued operation of Servicios Aeroportuarios Integrados – SAI S.A.S.

AGIL's Board of Directors approved on February 17, 2022, the divestiture of Servicios Aeroportuarios Integrados SAI S.A.S. ("SAI S.A.S."), a subsidiary based in Colombia operating in the air transportation segment, which represented 0.1% of assets and 0.2% of operating revenues in the consolidated financial statement. Therefore, SAI S.A.S. was presented as a disposal group held for sale as of December 31, 2022.

On February 1, 2023, AGIL's Board of Directors executed the sale of SAI S.A.S.; as a result of the transaction, the Group lost control and ceased to consolidate the financial statements of this subsidiary.

As of December 31, 2023, the following is a summary of the movements in the financial statements due to the sale and the corresponding loss of control:

Results of discontinued operation	**2023**
Amount of cash in the company	$ 4,011
Carrying assets, other than cash	17,442
Carrying amount liabilities	(4,494)
Impairment December 31, 2022	(3,549)
Net Assets and liabilities of the subsidiary	**13,410**
Non-controlling interest	(2,250)
Attributable to owners of the subsidiary	**$ 11,160**
Consideration received, satisfied in cash	4,506
Loss on the sale of the subsidiary	**$ (6,654)**

As of December 31, 2022, the disposal Group was comprised of $9,637 in assets less $6,465 in liabilities, detailed as follows:

Carrying assets, other than cash	$ 13,186
Carrying amount liabilities	(6,465)
Impairment on sale of subsidiary (1)	(3,549)
Assets held for sale of the subsidiary	**$ 3,172**
Cash	9,410
Net Assets of the subsidiary	**$ 12,582**

(1) Impairment on the held for sale of a subsidiary recognized in the Consolidated Statement of Comprehensive Income in discontinued operations.

For the year ended December 31, 2022, results from discontinued operations are as follows:

Operating revenue:	
Cargo and other	$ 8,333
Total operating revenue	**8,333**
Operating expenses	4,146
Total operating expenses	**4,146**
Operating profit	**4,187**
Non-Operating expenses	(1,212)
Profit before income tax	**2,975**
Income tax expense	(1,282)
Profit from discontinuing operations	**$ 1,693**
Impairment on sale of subsidiary	(3,549)
Net loss from discontinuing operations	**$ (1,856)**

(14) Property and equipment, net

- Flight equipment: additions during 2023 mainly correspond to the recognition of the right of use of aircraft operating lease agreements in the amount of $926,794 (December 31, 2022: $1,051,778) (This amount include new lease contracts of thirty three (33) aircraft A320, six (6) B787 aircraft and three (3) spare engines), new engine TRENT 1000-D2 for $31,508, additional debt for $71,214 for the financial lease of four (4) aircraft A330F, densification for $34,189, as well as the credit notes of aircraft and projects for $(26,355) (December 31, 2022: $(26,225).

  Right of use for return conditions for $187,745 (December 31, 2022: $214,316).

  The main disposals as of December 31, 2023, correspond mainly to engines for $17,685 (December 31, 2022: $5,349).

- Capitalized maintenance: The main additions for the year ended December 31, 2023, correspond to major repairs (overhaul) for engines, auxiliar power unit (APU) and overhaul contribution in the amount of $91,463 (December 31, 2022: $74,132), fuselage in the amount of $9,940 (December 31, 2022: $11,044), and Totalcare Life Agreement in the amount of $46,311 (December 31, 2022: $9,009).

- Other property and equipment: as of December 31, 2023, the main additions correspond to non-aeronautical leasing for $29,547 (December 31, 2022: $6,905), tools and spares for $12,939 (December 31, 2022: $5,074) projects in progress for $6,212 (December 31, 2022: $4,308).

  The main disposals as of December 31, 2023, correspond to ramp equipment $4,152 (December 31, 2022: $13,788), tools and spares for $14,194 (December 31, 2022: $5,406) and non-Aeronautical equipment $2,241 (December 31, 2022: $2,666).

Reimbursement of equipment acquisition

As of December 31, 2023, the equipment acquisition reimbursement was $54,457 (December 31, 2022: $112,524).

	Flight Equipment	Capitalized Maintenance	Rotables Spare parts	Reimbursement of predelivery payments	Administrative property	Others	Total
Cost							
December 31, 2022	**$ 2,152,749**	**$ 98,137**	**$ 214,206**	**$ 88,687**	**$ 97,573**	**$ 184,215**	**$ 2,835,567**
Additions	1,078,276	155,917	60,461	20,589	—	48,701	1,363,944
ROU Return Conditions	187,745	—	—	—	—	—	187,745
Disposals	(22,615)	(10,426)	(20,563)	—	—	(20,667)	(74,271)
Revaluation (OCI)	—	—	—	—	22,826	—	22,826
Impairment	—	—	(2,305)	—	—	—	(2,305)
Transfers	39,977	(3,089)	(29,456)	(2,290)	(5,404)	262	—
Transfers to assets held for sale	(6,796)	—	—	—	—	—	(6,796)
December 31, 2023	**$ 3,429,336**	**$ 240,539**	**$ 222,343**	**$ 106,986**	**$ 114,995**	**$ 212,511**	**$ 4,326,710**
Accumulated depreciation:							
December 31, 2022	**$ 116,994**	**$ 133**	**$ 10,554**	**$ —**	**$ 1,419**	**$ 34,558**	**$ 163,658**
Additions	326,811	18,453	10,974	—	1,627	25,522	383,387
Disposals	(9,087)	(10,208)	(4,531)	—	—	(12,522)	(36,348)
ROU Return Conditions	(10,696)	—	—	—	—	—	(10,696)
Transfers	3,210	(2,387)	(870)	—	—	47	—
Transfers to assets held for sale	(6,053)	—	—	—	—	—	(6,053)
December 31, 2023	**$ 421,179**	**$ 5,991**	**$ 16,127**	**$ —**	**$ 3,046**	**$ 47,605**	**$ 493,948**
Net balances:							
December 31, 2022	**$ 2,035,755**	**$ 98,004**	**$ 203,652**	**$ 88,687**	**$ 96,154**	**$ 149,657**	**$ 2,671,909**
December 31, 2023	**$ 3,008,157**	**$ 234,548**	**$ 206,216**	**$ 106,986**	**$ 111,949**	**$ 164,906**	**$ 3,832,762**

	Flight Equipment	Capitalized Maintenance	Rotable Spare parts	Reimbursement of predelivery payments	Administrative property	Others	Total
Cost							
December 31, 2021	**$ 983,241**	**$ 6,713**	**$ 149,052**	**$ 85,736**	**$ 103,713**	**$ 220,865**	**$ 1,549,320**
Additions	1,025,553	95,643	85,016	4,242	1,104	16,557	1,228,115
ROU Return Conditions	214,316	—	—	—	—	—	214,316
Disposals	(21,898)	(4,217)	(13,216)	—	(377)	(23,901)	(63,609)
Revaluation (OCI)	—	—	—	—	1,265	—	1,265
Devaluation	—	—	—	—	(8,132)	—	(8,132)
Transfers	37,245	(2)	(6,646)	(1,291)	—	(29,306)	—
Transfers to assets held for sale	(85,708)	—	—	—	—	—	(85,708)
December 31, 2022	**$ 2,152,749**	**$ 98,137**	**$ 214,206**	**$ 88,687**	**$ 97,573**	**$ 184,215**	**$ 2,835,567**
Accumulated depreciation:							
December 31, 2021	**$ 5,044**	**$ 679**	**$ 896**	**$ —**	**$ 137**	**$ 3,138**	**$ 9,894**
Additions	195,539	3,428	14,585	—	1,526	31,752	246,830
Disposals	(3,499)	(3,974)	(4,619)	—	(244)	(332)	(12,668)
ROU Return Conditions	(11,120)	—	—	—	—	—	(11,120)
Transfers	308	—	(308)	—	—	—	—
Transfers to assets held for sale	(69,278)	—	—	—	—	—	(69,278)
December 31, 2022	**$ 116,994**	**$ 133**	**$ 10,554**	**$ —**	**$ 1,419**	**$ 34,558**	**$ 163,658**
Net balances:							
December 31, 2021	**$ 978,197**	**$ 6,034**	**$ 148,156**	**$ 85,736**	**$ 103,576**	**$ 217,727**	**$ 1,539,426**
December 31, 2022	**$ 2,035,755**	**$ 98,004**	**$ 203,652**	**$ 88,687**	**$ 96,154**	**$ 149,657**	**$ 2,671,909**

(15) Intangible asset and goodwill, net

	December 31, 2023	December 31, 2022
Trademarks	$ 644,141	$ 644,141
Customer Relationships & Routes	526,104	549,713
Software and webpages	89,853	100,016
Agreements (Code-share and Star Alliance)	57,871	65,173
Slots	9,506	9,506
Subtotal	**$ 1,327,475**	**$ 1,368,549**
Goodwill	1,524,638	1,524,638
Total Intangible Assets	**$ 2,852,113**	**$ 2,893,187**

The following provides detail on intangible assets and goodwill as of December 31, 2023, and 2022:

	Goodwill	Customer Relationships & Routes	Agreements (Codeshare and Star Alliance)	Trademarks	Software & Webpages	Slots	Total
Cost:							
December 31, 2022	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 135,298**	**$ 9,506**	**$ 2,978,618**
Additions	—	—	—	—	21,961	—	21,961
December 31, 2023	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 157,259**	**$ 9,506**	**$ 3,000,579**
Accumulated Amortization:							
December 31, 2022	**$ —**	**$ 42,297**	**$ 7,852**	**$ —**	**$ 35,282**	**$ —**	**$ 85,431**
Amortization for the period	—	23,609	7,302	—	32,124	—	63,035
December 31, 2023	**$ —**	**$ 65,906**	**$ 15,154**	**$ —**	**$ 67,406**	**$ —**	**$ 148,466**
Carrying Amounts:							
December 31, 2022	**$ 1,524,638**	**$ 549,713**	**$ 65,173**	**$ 644,141**	**$ 100,016**	**$ 9,506**	**$ 2,893,187**
December 31, 2023	**$ 1,524,638**	**$ 526,104**	**$ 57,871**	**$ 644,141**	**$ 89,853**	**$ 9,506**	**$ 2,852,113**

The following provides details related to intangible assets as of December 31, 2022, and 2021.

	Goodwill	Customer Relationships & Routes	Agreements (Codeshare and Star Alliance)	Trademarks	Software & Webpages	Slots	Total
Cost:							
December 31, 2021	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 121,883**	**$ 9,506**	**$ 2,965,203**
Additions	—	—	—	—	14,133	—	14,133
Write-off	—	—	—	—	(718)	—	(718)
December 31, 2022	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 135,298**	**$ 9,506**	**$ 2,978,618**
Accumulated Amortization:							
December 31, 2021	**$ —**	**$ 3,417**	**$ 550**	**$ —**	**$ 2,892**	**$ —**	**$ 6,859**
Amortization for the period	—	38,880	7,302	—	32,390	—	78,572
December 31, 2022	**$ —**	**$ 42,297**	**$ 7,852**	**$ —**	**$ 35,282**	**$ —**	**$ 85,431**
Carrying Amounts:							
December 31, 2021	**$ 1,524,638**	**$ 588,593**	**$ 72,475**	**$ 644,141**	**$ 118,991**	**$ 9,506**	**$ 2,958,344**
December 31, 2022	**$ 1,524,638**	**$ 549,713**	**$ 65,173**	**$ 644,141**	**$ 100,016**	**$ 9,506**	**$ 2,893,187**

Goodwill and intangible assets with indefinite useful life

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the air transportation CGU and loyalty CGU which are also the Group's operating and reporting segments.

The carrying amount of goodwill and intangible assets with indefinite useful life allocated to the air transport and loyalty segments are as follows:

	December 31, 2023	December 31, 2022
Goodwill	$ 1,524,638	$ 1,524,638
Trademarks	644,141	644,141
Routes	94,949	92,561
Slots	9,506	9,506

As of December 31, 2023, the Group did not identify potential goodwill, intangible assets nor equipment properties with impairment losses.

Basis for calculating recoverable amount

The recoverable amounts of CGU have been measured based on their value-in-use.

Value-in-use is calculated using a discounted cash flow model. Cash flow projections are based on the latest Business plan approved by the Board covering a five-year period updated by current macroeconomic conditions. Cash flows extrapolated beyond the five-year period are projected to increase based on long-term growth rates. Cash flow projections are discounted using the CGU's pre-tax discount rate.

The assumptions used to determine the value in use of the CGU include the income from aircraft leasing contracts. Therefore, in order to carry out an adequate comparison between the carrying amount of the CGU and its recoverable amount, it is necessary to deduct the liabilities recognized for operating leases and return conditions within the analysis of the carrying amount; this is due to the fact that the cash flow includes the lease payment associated with the aircraft, as stipulated in IAS 36, paragraph 78.

Under the Board of directors approved business plan in the fourth quarter of the year. The business plan cash flows used in the value-in-use calculations reflect all restructuring of the business that has been approved by the Board and which can be executed by Management under existing agreements.

Macroeconomic assumptions are based on market data extracted from Bloomberg for both the expected WTI price and the expected interest rate levels, which have a direct impact on our cost projections, all costs are affected by inflation.

Primary assumptions used in value in use calculations are as follows:

	Air transportation December 31, 2023	Loyalty December 31, 2023
Carrying amount of goodwill	$ 1,141,762	$ 382,876
Carrying amount of intangible assets with indefinite useful lives	511,543	237,053
Carrying amount of equity	720,568	160,664
Compound revenue growth (CAGR) during the planning period	5.65%	15.70%
Compound operating expense (CAGR) during the planning period	10.11%	12.3%
Compound Capital Expenditure rise during the planning period	5.14% to 9.44%	1.04% to 2.36%
Duration of planning period	5 years	5 years
Revenue growth p,a, after planning period	3.6%	3.6%
Operating Income after planning period	30.4%	21.9%
Capital expenditures after planning period	9.11%	1.42%
Business Enterprise Equity Value	$ 1,268,951	$ 214,637
Discount rate (CAPM)	26.03%	15.95%

In 2023, the group applied the equity value method for the determination of the value in use.

(16) Debt

	December 31, 2023	December 31, 2022
Currents:		
Short-term borrowings and current portion of long-term debt debt	$ 219,608	$ 80,413
Short-term aircraft rentals - right of use	245,219	126,070
Short-term other rentals - right of use	11,350	6,560
	$ 476,177	**$ 213,043**
Non-currents:		
Long-term debt	$ 2,268,613	$ 2,306,831
Long-term aircraft rentals - rights of use	1,966,508	1,428,632
Long-term other rentals - right of use	60,312	36,329
	$ 4,295,433	**$ 3,771,792**

Terms and conditions of the Group's outstanding obligations for the period ended December 31, 2023, are as follows:

		December 31, 2023		
	Due through	**Weighted average interest rates**	**Nominal value**	**Carrying Amount**
Long-term debt	2032	9.45%	$ 2,634,535	$ 2,488,221
Aircraft rentals	2035	10.90%	2,678,091	2,211,727
Other right of use	2037	8.57%	88,123	71,662
Total			**$ 5,400,749**	**$ 4,771,610**

		December 31, 2022		
	Due through	**Weighted average interest rates**	**Nominal value**	**Carrying Amount**
Short term loans	2023	8.51%	$ 6,303	$ 6,303
Long-term debt	2030	8.80%	2,516,402	2,380,941
Aircraft rentals	2034	10.18%	1,675,639	1,554,702
Other right of use	2038	7.16%	44,306	42,889
Total			**$ 4,242,650**	**$ 3,984,835**

Below the detail of the debt balance by type of loan:

	December 31, 2023	**December 31, 2022**
Corporate	$ 2,488,221	$ 2,387,244
Rights of use - IFRS 16	2,283,389	1,597,591
Total	$ **4,771,610**	**$ 3,984,835**

Bank guarantees

In order to comply with certain contractual or operating obligations, as of December 31, 2023, the Group has a total of $20,244 (December 31, 2022: $23,556), in guarantees issued through financial entities.

Covenants

During the year ended December 31, 2023, the Group was unable to comply with a non-financial covenant corresponding to a credit card receivables securitization (the "USAVFLOW Facility"). Consequently, in July 2023, the Company voluntarily prepaid the entire principal and interest balance of US$ 54,5 million related to the USAVFLOW Facility. This prompt prepayment served to remedy the default and releases all the associated collateral that can be used for a future financing. No other debt arrangements within the Group were affected by this noncompliance.

Group´s debt facilities contain certain covenants limiting our ability to, among other things, make certain types of restricted payments, incur debt and operating leases beyond specified thresholds, grant liens, merge or consolidate with others, dispose of assets, enter into certain transactions with affiliates, engage in certain business activities or make certain investments, in all cases subject to customary baskets and exclusions. In terms of financial covenants, the Group is required to maintain a consolidated cash balance of no less than $400 million and Lifemiles Ltd. a total net leverage ratio below 4.00:1.00. As of December 31, 2023, the Group complied with all financial and non-financial covenants associated with its debt contracts.

Abra's Pledge of IV1L Shares

As of the date of these consolidated financial statements, IV1L, AGIL´s sole shareholder (see note 22), is a wholly-owned subsidiary of Abra. Abra has pledged all of its ordinary shares of IV1L as collateral securing Abra's senior secured notes due in 2028 and senior secured exchangeable notes due in 2028. For a specified period of time, Abra has entered into a forbearance agreement with certain noteholders with respect to specified events of default. Certain of the debt instruments and aircraft leases of IV1L's subsidiaries, including, among others, the Tranche A-1 Senior Notes and the Tranche A-2 Senior Notes (together, the "Exit Notes") issued by Avianca Midco 2 PLC ("Midco 2"), contain change of control provisions that may be triggered if the pledged IV1L shares were foreclosed upon by Abra's noteholders. In the event of a change of control (as defined in the indentures with respect to the Exit Notes) that results in a specified decline in the ratings of the Exit Notes, Midco 2 would be required to offer to repurchase the Exit Notes at a price of 101% of the outstanding principal amount.

Debt Collaterals

Certain Group obligations under short-term loans and long-term debt for $2,171,727 are collateralized by: Shares and Agreement of the most relevant subsidiaries of the Company, Security Agreements, receivable charges, some flow of sales for certain credit card codes, spare parts, nine (9) aircraft, two airport slots: one at London Heathrow Airport (LHR) and one at John F. Kennedy Airport (JFK), intellectual Property Security Agreement of the most relevant subsidiaries of the Company, ten (10) spare engines, Deposit accounts, and a lien on AGIL's premises at the Centro Administrativo Avianca building located in Bogota, Colombia.

Corporate Debt

- **Notes**

Issuing entities	Instrument	Original currency	Total placed in original currency	Balance as of December 31, 2023	Balance as of December 31, 2022
Avianca Midco 2 PLC	Tranche A-1 Senior Notes	USD	$ 1,111,937	$ 1,111,937	$ 1,111,937
Avianca Midco 2 PLC	Tranche A-2 Senior Notes	USD	$ 583,871	$ 583,871	$ 583,871

Issuers:	Avianca Midco 2 PLC
Guarantors:	Avianca Group (UK) Limited, Aerovías del Continente Americano S.A, Aeroinversiones de Honduras S.A, Avianca, Airlease Holdings One Ltd, America Central, America Central Corp (Canada) Corp, AV International Holdco S.A, AV International Holdings S.A, AV International Investments S.A, AVInternational Ventures S.A, AV Investments One Colombia S.A.S, AV Investments Two Colombia S.A.S, AV Loyalty Bermuda Ltd, AV Taca International Holdco S.A, Aviacorp Enterprises, S.A, Avianca Costa Rica S.A, Avianca Leasing, LLC, Avianca, Inc, Avianca Ecuador S.A, Aviaservicios, S.A, Aviateca S.A, C.R. Int'l Enterprises, Inc, Grupo Taca Holdings, Limited, International Trade Marks Agency Inc, Inversiones del Caribe, S.A, Latin Airways Corp, Latin Logistics LLC, Nicaragüense de Aviación, Sociedad Anónima LLC, Regional Express Américas S.A.S, Ronair N.V, Servicio Terrestre, Aéreo y Rampa S.A, Taca de Honduras, S.A. de C.V, Taca de México, S.A, Taca International Airlines S.A, Taca S.A, Tampa Cargo S.A.S. and Technical and Training Services S.A. de C.V.
Initial Issue Price:	98.24%
Initial Issue Date:	December 1, 2021
Issue Amount:	Tranche A-1 $ 1,111,937 – Tranche A-2 $ 583,871.
Interest:	The Tranche A-1 Senior Notes and Tranche A-2 Senior Notes will bear interest at a fixed rate of 9% per year.
Maturity Date:	The Tranche A-1 Senior Notes and Tranche A-2 Senior Notes will mature on December 1, 2028.

- **Other Debt**

The other corporate debt of the Group as of December 31, 2023 for $792,413 (December 31, 2022: $691,436) corresponds mainly to Lifemiles Term Loan B, revolving credit facility and credit card securitizations subject to the covenants described above.

Future payments on long-term debt

The following future payments including interests in long–term debt for the period ended December 31, 2023.

All amounts are gross and undiscounted and include contractual interest payments while excluding the impact of netting agreements.

Corporate debt
December 31, 2023

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 190,037	$ 86,038	$ 274,799	$ 44,841	$ 1,895,327	$ 2,491,042
Interests	$ 227,608	$ 208,755	$ 195,805	$ 173,501	$ 204,112	$ 1,009,781

December 31, 2022

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 33,270	$ 141,965	$ 69,811	$ 27,960	$ 1,781,649	$ 2,054,655
Interests	$ 180,090	$ 174,143	$ 163,847	$ 159,767	$ 316,789	$ 994,636

Aircraft rights of use
December 31, 2023

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 235,771	$ 253,746	$ 262,162	$ 250,387	$ 1,200,213	$ 2,202,279
Interests	$ 229,282	$ 204,243	$ 177,435	$ 150,243	$ 406,158	$ 1,167,361

December 31, 2022

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 164,610	$ 187,867	$ 198,801	$ 202,950	$ 809,720	$ 1,563,948
Interests	$ 133,889	$ 116,985	$ 111,703	$ 92,461	$ 223,693	$ 678,731

Other rights of use

December 31, 2023

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 10,272	$ 6,808	$ 7,093	$ 3,919	$ 31,093	$ 59,185
Interests	$ 6,150	$ 4,074	$ 3,429	$ 9,468	$ 14,118	$ 37,239

December 31, 2022

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 1,334	$ 1,958	$ 1,206	$ 1,039	$ 39,261	$ 44,798
Interests	$ 2,593	$ 3,041	$ 2,924	$ 2,852	$ 24,810	$ 36,220

Changes in liabilities derived from financing activities at December 31, 2023

	January 1, 2023	New Loans (1)	New leases (2)&(3)	Financial cost	Payments (4)	Interest Payments	Others	Reclassifications	December 31, 2023
Short-term loans (excluding items listed below)	$ 6,303	$ —	$ —	$ 76	$ (6,303)	$ (76)	$ —	$ —	$ —
Current portion of long-term credits (excluding items listed below)	74,110	11,500	102,722	223,232	(122,657)	(220,520)	(151)	151.372	219,608
Non-current portion long-term debt	2,306,831	—	—	—	—	—	381	(38,599)	2,268,613
Aircraft rentals– right of use	1,554,702	—	930,001	212,420	(187,124)	(183,585)	(1,914)	(112,773)	2,211,727
Other rentals – right of use	42,889	—	23,915	6,779	(9,287)	(4,633)	11,999	—	71,662
Total liabilities from financing activities	**$ 3,984,835**	**$ 11,500**	**$ 1,056,638**	**$ 442,507**	**$ (325,371)**	**$ (408,814)**	**$ 10,315**	**$ —**	**$ 4,771,610**

(1) Corresponds to a new loan, at a fixed rate of 13%, to enable the Group to purchase certain Locations for Passenger Accommodations (LOPA) aligned with the Densification project for $11,500.

(2) The main additions in leases for the year ended December 31, 2023, correspond to aircraft rentals for the lease of thirty-nine (39) operating aircraft of the families A320 (33) and B787 (6) and three (3) spare engines for a total of $910,892. Additions of incremental rent for a $19,109, the financial lease of one (1) TRENT 1000-D2 for $31,508 and additional debt for $71,214 for the financial lease of four (4) aircraft A330F.

(3) The additions in other rentals for the year ended December 31, 2023, correspond to Avianca Hangar in El Dorado International Airport for $5,243 and VIP lounges for $12,620.

(4) The difference between these payments and the payments in the Consolidated Statement of Cash Flows corresponds to non-cash payments in miles for $2,003.

Changes in liabilities derived from financing activities at December 31, 2022

	January 1, 2022	New leases (1)	Financial cost	Payments (2)	Interest Payments	Others	Transferred to held for sale	Reclassifications	December 31, 2022
Short-term loans (excluding items listed below)	$ 7,692	$ —	$ 216	$ (1,389)	$ (216)	$ —	$ —	$ —	$ 6,303
Current portion of long-term credits (excluding items listed below)	176,718	—	205,161	(87,886)	(205,115)	1,911	(237)	(16,442)	74,110
Non-current portion long-term debt	2,295,041	—	—	(2,213)	(924)	(1,517)	2	16,442	2,306,831
Aircraft rentals– right of use	527,553	1,060,144	121,719	(79,408)	(76,217)	911	—	—	1,554,702
Other rentals – right of use	52,187	—	3,177	(2,263)	(3,170)	(7,042)	—	—	42,889
Total liabilities from financing activities	**$ 3,059,191**	**$ 1,060,144**	**$ 330,273**	**$ (173,159)**	**$ (285,642)**	**$ (5,737)**	**$ (235)**	**$ —**	**$ 3,984,835**

(1) Corresponds primarily to sixty-six (66) Airbus A320, A319, B787, A330 operating aircraft, four (4) Airbus A320 spare engines and additions of incremental rent and IBR modification.

(2) The cash flow difference corresponds to credit card for $6,302.

(17) Accounts Payable

	December 31, 2023	December 31, 2022
Currents:		
Trade accounts payable	$ 249,028	$ 197,089
Non-income taxes (1)	288,505	195,784
Social charges	864	1,389
Other accounts payable (2)	12,283	35,592
Total	**$ 550,680**	**$ 429,854**

(1) Corresponds to taxes and fees charged to passengers that will be paid to the government authority such as airport taxes, exit and entry taxes to the countries, etc. Furthermore, to VAT and VAT withholdings.

(2) Other accounts payable mainly include advance payments for the purchase of engines, projects related to aircrafts and travel expenses.

(18) Accrued Expenses

	December 31, 2023	December 31, 2022
Operational expenses (1)	$ 85,799	$ 54,577
Total	**$ 85,799**	**$ 54,577**

(1) Corresponds mainly to travel expenses, fuel, components aeronautical, aeronautical policies, aircraft rental, air navigation, ground services and passenger services. In 2023, accrued expenses increased mainly for provision in travel expenses, components aeronautical and aircraft rental and aeronautical policies.

(19) Provisions for return conditions

For certain operating leases, the Group is obligated to return aircraft in a contractually predefined condition. The Group records a provision to account for the cost to be incurred to return the leased aircraft to the lessor in the agreed-upon condition, which is capitalized within the right-of-use asset and recognized as a liability for return condition.

	December 31, 2023	December 31, 2022
Current	$ 8,098	$ 5,522
Non-current	807,294	553,986
Total	**$ 815,392**	**$ 559,508**

Changes in provisions for return conditions are as follows:

	December 31, 2023	December 31, 2022
Balances at the beginning of the year	$ 559,508	$ 272,817
Recognition of provisions (1)	186,940	223,481
Present value adjustment	69,341	63,210
Provision used	(397)	—
Balances at the end of the year	**$ 815,392**	**$ 559,508**

(1) During the period ended December 31, 2023, provisions were established for aircraft which continued under this scheme $186,940 (December 31, 2022: $223,481).

(20) Employee benefits

The Group sponsors defined benefit pension plans which require contributions to be made to separately administered funds. The Group also provides certain additional post-employment benefits. These benefits are unfunded as of December 31, 2023. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit cost method.

Actuarial gains and losses for defined benefit plans are recognized in full during the period in which they occur within other comprehensive income. The liability for employee benefits is as follows:

	December 31, 2023	December 31, 2022
Defined benefit plan	$ 78,081	$ 51,186
Other benefits - short term	118,879	69,894
Other benefits - long term	9,980	828
Total	**$ 206,940**	**$ 121,908**
Current	$ 135,749	$ 81,687
Non-Current	71,191	40,221
Total	**$ 206,940**	**$ 121,908**

CAXDAC Pension Plan Integration

In 1993 the pension plan in Colombia changed from a defined benefit plan to a defined contribution plan. The Colombian government defined a transition regime to maintain the conditions of pilots and co-pilots included in the pension plan prior to April 01, 1994, this transition regime is administered by CAXDAC.

According to the above, the group's obligation is recognized and is mainly regulated by Law 860 of 2003, Decree 2210 of 2004 and Decree 1269 of 2009. The Group must transfer the value of their actuarial calculation to the CAXDAC pension fund and will have until the year 2023 to make such payments, from this date CAXDAC will become the responsible party for the obligation, until then the Group is the responsible for the obligation.

As of December 31, 2023, the Group requested the approval of the actuarial calculation to the Superintendencia de transporte in order to integrate the pension liability with CAXDAC for Avianca S.A. component. The approval was granted on 31 December 2023 by Superintendencia de transporte.

Subsequently, on January 26, 2024, the effects of the transfer were formalized through minute-002 of 2024. Finally, on January 29, 2024, Avianca S.A. obtained the not debt certification from CAXDAC and consequently integrated the liability and asset plan, in such a way Avianca S.A. was released from this obligation, remaining in charge of CAXDAC from that date.

For Tampa Cargo S.A.S., the approval of the actuarial calculation to the Superintendencia de transporte in order to integrate the pension liability with CAXDAC, was requested on February 12, 2024. The approval is still pending and is expected to be resolved during the first semester of 2024, until then, the Group is responsible for the obligation. As of December 31, 2023, the value of the actuarial calculation obligation is $7,633 and the fair value of the plan assets is $7,326.

For both components the plan assets are not available for payments to creditors and cannot be paid directly to the Group. Fair value is based on market price information and in the case of quoted securities on the published bid price.

Other pension plans

The other pension plans are measured using a discount rate based on the government bonds of each country in which the respective benefit plan is established.

As of December 31, 2023, the defined benefit liability is comprised of the present value of the defined benefit obligation using a discount rate based on government bonds for each country where the respective benefit plan is established, less the fair value of plan assets out of which the obligations are to be settled.

For the pension plans for ground personnel in 2008, the Company entered into a commutation agreement with Compañía Aseguradora de Vida Colseguros S.A. (Insurance Company) in connection with the pension liability of two of the Company’s pension plans.

As of December 2023, there are 32 beneficiaries which have not been commuted. Consequently, the Company estimates through an actuarial calculation the pension liability of these beneficiaries.

Below is the detail of the Group's pension obligations and assets and post-employment benefits measured under IAS 19:

	December 31, 2023	December 31, 2022
Fair value of plan assets (1)	$ 272,797	$ 157,261
Present value of the obligation	(272,797)	(155,159)
Total assets for employee benefits (2)	**$ —**	**$ 2,102**
Fair value of plan assets	$ 7,575	$ 4,372
Present value of the obligation	(85,656)	(55,558)
Total liability for employee benefits	**$ (78,081)**	**$ (51,186)**

(1) The fair value of the assets of the plan, for Avianca S.A. component, correspond to net funds transferred to CAXDAC (Caja de Auxilios y de Prestaciones de ACDAC), which is responsible for managing the pilots' pension plan. The assets guarded by CAXDAC are segregated into separate accounts corresponding to each contributing company.

Due to the local regulations the Group's CAXDAC defined benefit plan, the Group is required to make contributions to a fund that is managed externally. The amount of annual contributions is based on the following:

- Basic contribution for the year: equal to the expected annual pension payments.
- Additional contribution for the year (if required): equal to the amount necessary to equal the actuarial liability under local accounting standards and the plan assets (determined by actuarial calculation).

(2) As of December 31, 2023, the fair value of the plan assets, for Avianca S.A. component, is equal to the present value of the obligation (December 31, 2022: $2,102).

Movements of Actuarial Valuation of Employee Benefits

The following table summarizes the components of net benefit expense recognized in the consolidated statement of comprehensive income and the funded status and amounts recognized in the consolidated statement of financial position for the respective plans:

Net benefit expense - period ended December 31, 2023 (recognized in wages, salaries and benefits)	**CAXDAC Benefit plan**	**Defined benefit plan**	**Other benefits**
Current cost of the service	$ —	$ 1,026	$ 845
Cost of interest on obligations for benefits, net	14,225	1,567	3,190
Asset plan interest income	(14,614)	(22)	—
Net benefit expense	**$ (389)**	**$ 2,571**	**$ 4,035**

Net benefit expense - period ended December 31, 2022 (recognized in wages, salaries and benefits)	**CAXDAC Benefit plan**	**Defined benefit plan**	**Other benefits**
Current cost of the service	$ —	$ 945	$ 1,250
Cost of interest on obligations for benefits, net	11,785	821	3,200
Asset plan interest income	(15,704)	27	—
Net benefit expense	**$ (3,919)**	**$ 1,793**	**$ 4,450**

Changes in the present value of defined benefit obligation as of December 31, 2023, are as follows:

	CAXDC Tampa Benefit plan	**Defined benefit obligations**	**Other benefits**	**Total**
Benefit obligations as of December 31 2022	**$ 5,770**	**$ 26,137**	**$ 23,651**	**$ 55,558**
Cost of interest and cost of service	493	2,593	4,035	7,121
Employer-paid benefits	(567)	(1,825)	(4,633)	(7,025)
Remeasurement of defined benefit liabilities	389	4,907	19,203	24,499
Reclassification to defined benefit obligation	—	(4,986)	—	(4,986)
Translation Adjustment	1,548	2,835	6,106	10,489
Benefit obligations as of December 31 2023	**$ 7,633**	**$ 29,661**	**$ 48,362**	**$ 85,656**
Plan assets	(7,326)	(249)	—	(7,575)
Total employee benefits	**$ 307**	**$ 29,412**	**$ 48,362**	**$ 78,081**
Current	$ 307	$ 11,693	$ 4,870	$ 16,870
Non-current	—	17,719	43,492	61,211
Total	**$ 307**	**$ 29,412**	**$ 48,362**	**$ 78,081**

Changes in the present value of defined benefit obligation as of December 31, 2022, are as follows:

	CAXDC Tampa Benefit plan	Defined benefit obligations	Other benefits	Total
Benefit obligations as of December 31 2021	**$ 7,464**	**$ 19,960**	**$ 40,447**	**$ 67,871**
Cost of interest and cost of service	489	1,766	4,450	6,705
Employer-paid benefits	(577)	(821)	(5,853)	(7,251)
Remeasurement of defined benefit liabilities	749	(1,384)	(11,197)	(11,832)
Reclassification to defined benefit obligation	(1,301)	8,123	—	6,822
Translation Adjustment	(1,054)	(1,507)	(4,196)	(6,757)
Benefit obligations as of December 31 2022	**$ 5,770**	**$ 26,137**	**$ 23,651**	**$ 55,558**
Fair value of plan assets	(4,221)	(151)	—	(4,372)
Total employee benefits	**$ 1,549**	**$ 25,986**	**$ 23,651**	**$ 51,186**
Current	$ 1,549	$ 6,936	$ 3,077	$ 11,562
Non-current	—	19,050	20,574	39,624
Total	**$ 1,549**	**$ 25,986**	**$ 23,651**	**$ 51,186**

Changes in the obligation and plan assets of Avianca CAXDAC as of December 31, 2023, and 2022 are as follows:

	Benefit plan CAXDAC Avianca
Benefit obligations as of December 31, 2022	$ **155,159**
Cost of interest for the period	13,732
Employer-paid benefits	(17,071)
Remeasurement of defined benefit liabilities	75,241
Reclassification to defined benefit obligation	4,986
Translation Adjustment	40,750
Benefit obligations as of December 31, 2023	$ **272,797**
Plan assets	(272,797)
Total employee benefits, net	$ **-**

		Benefit plan CAXDAC Avianca
Benefit obligations as of December 31, 2021	$	**171,712**
Cost of interest for the period		11,296
Employer-paid benefits		(14,587)
Remeasurement of defined benefit liabilities		17,741
Reclassification to defined benefit obligation		(6,822)
Translation Adjustment		(24,181)
Benefit obligations as of December 31, 2022	$	**155,159**
Fair value of plan assets		(157,261)
Total employee benefits, net		**(2,102)**

Changes in the fair value of plan assets are as follows:

		Defined benefit plan
Fair value of plan assets as December 31, 2022	$	161,633
Interest income on plan assets		14,636
Return on plan assets higher / (lower) than projected		19,490
Employee contributions		49,866
Benefits paid		(14,538)
Translation adjustment		49,285
Fair Value of plan assets as December 31, 2023	**$**	**280,372**

		Defined benefit plan
Fair value of plan assets as December 31, 2021	$	191,546
Interest income on plan assets		15,677
Return on plan assets higher / (lower) than projected		(24,131)
Employee contributions		23,765
Benefits paid		(13,210)
Translation adjustment		(32,014)
Fair value of plan assets as December 31, 2022	**$**	**161,633**

Other comprehensive income movement

For the year ended December 31, 2023, actuarial losses of ($80,250) (December 31, 2022: $(30,040), were recognized in other comprehensive income:

	December 31, 2023	December 31, 2022
Actuarial losses recognized in other comprehensive income	$ (99,740)	$ (5,909)
Adjustment in return on plan assets	19,490	(24,131)
Losses recognized in other comprehensive income	**$ (80,250)**	**$ (30,040)**

The main assumptions (adjusted for inflation) used to determine the liability for pensions and post-retirement medical benefits for the Group's plans are shown below:

CAXDAC

	December 31, 2023	December 31, 2022
Discount rate	7.12%	8.14%
Price inflation long-term	4.0%	3.98%

Other plans

	December 31, 2023	December 31, 2022
Discount rate	10.03%	11.11%
Others Colombia	10.30%	12.98%
Other	9.75%	9.25%
Price inflation long-term	4.00%	3.00%

The average duration of the benefit plan obligation as of December 31, 2023, is 9,03 years.

Sensitivity analysis

The calculation of defined benefit obligations is sensitive to the aforementioned assumptions. from this analysis, the CAXDAC pensions plan of Avianca S.A. and Tampa Cargo S.A.S is excluded because the assumptions are under local regulation.

The following table summarizes how the impact of the defined benefit obligations at the end of the period would have increased (decreased) because of a change in the respective assumptions:

	0,5% increase	0,5% decrease
Discount rate	(2,661)	2,915
Salary increases rate	1,114	(1,065)
Mortality rate	4	4
Health care cost	1,772	(1,548)

(21) Air traffic liability and frequent flyer deferred revenue

	December 31, 2023	December 31, 2022
Air traffic liability (1)	$ 680,425	$ 589,825
Miles deferred revenue (2)	164,540	165,165
Current	**$ 844,965**	**$ 754,990**
Miles deferred revenue	$ 271,964	$ 289,847
Non–current	**$ 271,964**	**$ 289,847**

(1) Non-Refundable or restricted tickets expire on the date of the intended trip, unless special situations related with medical, or force majeure reasons requested by customer notification before the scheduled travel date. In case of non-restricted fares unused tickets are expected to expire and revenue is recognized based on historical data and experience, supported by a third-party valuation specialist to assist management in this process.

(2) During 2022 the breakage estimates decrease from 20% to 16%, mainly because of the Revenue-Bases Accrual Methodology and changes to Avianca's business model, as a result, many LifeMiles members who accrued Program miles in the past, will no longer accrue or accrue less miles going forward. The impact was $89,626 in the annual income.

(22) Equity and Other Comprehensive Income ("OCI") Reserves

	December 31, 2023	December 31, 2022
Common shares issued and paid	39,569,223	39,210,000

The nominal value per share is $0.0001 Expressed in cents.

Common shares

Holders of these shares are entitled to dividends as declared from time to time. As of the issue date Investment Vehicle 1 Limited is the controlling shareholder.

As of the date of these consolidated financial statements, 100% of IV1L´s ordinary shares outstanding are owned by Abra. Abra has pledged all of its ordinary shares of IV1L as collateral for Abra's senior secured notes due in 2028 and senior secured exchangeable notes due in 2028.

Issue of ordinary shares

On June 7 and November 15, 2023, pursuant to the Further Modified Joint Chapter 11 Plan of Avianca Holdings S.A. and Its Affiliated Debtors [Docket No. 2259], which was confirmed by the U.S. Bankruptcy Court for the Southern District of New York on November 2, 2021 (the "Plan"), subsequent issuances of shares to 129 and 49, respectively, Electing General Unsecured Claimholders (as defined in the Plan, each such claimholder a "GUC") were completed (the "Issuances"). The Issuances, which were all implemented on June 7 and November 15, 2023, respectively included:

- The allotment and issuance to each GUC of 335,045 and 24,178 ordinary shares of US$0.0001 each in the capital of AGIL;
- Immediately after, the exchange of the shares received in AGIL for an equal number of IV1L shares;
- Immediately after, the transfer to Abra of the shares received in IV1L in consideration for such number of shares in Abra as established in the transaction documents.

As a consequence of the foregoing, the GUCs are currently Abra shareholders and IV1L remains AGIL's sole shareholder.

Other Comprehensive Income ("OCI") Reserves

The movement of other comprehensive income from December 31, 2023, is as follows:

	Attributable to owners of the Company							
	Fair value reserves (1)	Reserve related to actuarial gains and losses (2)	Income Tax of reserve related to actuarial gains and losses (3)	Revaluation and other reserves (4)	Currency translation effect (5)	Total	NCI	Total OCI
As of December 31, 2022	**$ (2,030)**	**$ (16,282)**	**$ (102)**	**$ 1,265**	**$ (4,388)**	**$ (21,537)**	**$ (870)**	**$ (22,407)**
Other results comprehensive (loss)	800	(78,910)	(336)	22,826	4,590	(51,030)	(1,340)	(52,370)
As of December 31, 2023	**$ (1,230)**	**$ (95,192)**	**$ (438)**	**$ 24,091**	**$ 202**	**$ (72,567)**	**$ (2,210)**	**$ (74,777)**

(1) Fair value reserves

The fair value reserve is comprised of the cumulative net change in the fair value through OCI financial assets.

(2) Reserve relating to actuarial gains and losses

Comprised of actuarial gains or losses on defined benefit plans and post–retirement medical benefits recognized in other comprehensive income.

(3) Income tax on other comprehensive income

Whenever an item of other comprehensive income gives rise to a temporary difference, a deferred income tax asset or liability is recognized directly in other comprehensive income.

(4) Revaluation and other reserves

Relates to the revaluation of administrative buildings and properties in San Salvador, Colombia y Costa Rica. The revaluation reserve is adjusted for increases or decreases in the fair value of these properties.

(5) Foreign currency translation differences

Represents the effect of the translation from the functional currency.

The following provides an analysis of items reported within the consolidated statement of comprehensive income which have been subject to reclassification, without considering items remaining in OCI which are never reclassified to profit of loss:

	December 31, 2023	December 31, 2022
Cash flow hedges:		
Reclassification during the period		
Effective valuation of cash flow hedged	$ —	$ (194)
	$ —	**$ (194)**
Fair value reserves:		
Valuations of investments in fair value with changes in OCI	$ 800	$ (2,019)
	$ 800	**$ (2,019)**

(23) Non-controlling interest (NCI)

The information related to each of the subsidiaries of the Group that has material NCI, is summarized below:

As of December 31, 2023

	Taca International Airlines S.A.	Avianca Costa Rica S.A.	Other individually subsidiaries	Total
Percentage non-controlling Interest	**3.17%**	**7.58%**		
Assets net	$ 544,338	$ 25,037	$ 4,106,396	$ 4,675,771
Liabilities net	(566,445)	(32,116)	(4,060,975)	(4,659,536)
Net assets	**(22,107)**	**(7,079)**	**45,421**	**16,235**
Net profit (loss)	3,366	2,764	(2,444)	3,686
Other comprehensive income	$ 106	$ 210	$ (1,656)	$ (1,340)

As of December 31, 2022

	Taca International Airlines S.A.	Avianca Costa Rica S.A.	Other individually subsidiaries	Total
Percentage non-controlling Interest	**3.17%**	**7.58%**		
Assets net	$ 523,337	$ 21,114	$ 2,856,209	$ 3,400,660
Liabilities net	(534,504)	(18,968)	(2,831,049)	(3,384,521)
Net assets	**(11,167)**	**2,146**	**25,160**	**16,139**
Net profit (loss)	(602)	615	1,198	1,211
Other comprehensive income	$ (132)	$ 235	$ 282	$ 385

(24) Derivative instruments

During 2023, The Group acquired call options of jet fuel not exercised for $4,079 (2022: $14,045) and recognized in fuel expenses for the same amount (2022: 13,886). As of December 31, 2023, and 2022 there are no hedging instruments assets or liabilities.

(25) Fair value measurements

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures of fair value measurement hierarchy for assets:

	Fair value measurement using

Assets measured at fair value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets of the benefits plan (note 20)	—	280,372	—	280,372
Airbus aircraft and engines held for sale (note 13)		10,743	—	10,743
Investments (note 7)	—	257,553	—	257,553
Revalued administrative property (note 14)	—	—	111,949	111,949

Quantitative disclosures of fair value measurement hierarchy for liabilities:

	Fair value measurement using			
Liabilities measured at fair value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Liabilities for which fair values are disclosed				
Short–term borrowings and long–term debt (note 6.h)	—	2,248,230	—	2,248,230

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as of December 31, 2022:

Quantitative disclosures of fair value measurement hierarchy for assets:

	Fair value measurement using

Assets measured at fair value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets of the benefits plan (note 20)	—	161,633	—	161,633
Airbus aircraft and engines held for sale (note 13)		16,430	—	16,430
Investments (note 7)	—	44,843	—	44,843
Revalued administrative property (note 14)	—	—	96,154	96,154

Quantitative disclosures of fair value measurement hierarchy for liabilities:

	Fair value measurement using			
Liabilities measured at fair value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Liabilities for which fair values are disclosed				
Short–term borrowings and long–term debt (note 6.h)	—	2,155,750	—	2,155,750

Fair values hierarchy

The different levels have been defined as follows:

Level 1 Observable inputs such as quoted prices in active markets.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 Inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized within the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in hierarchy by re–assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

(a) The fair value of financial assets which changes in OCI is determined by reference to the present value of future principal and interest cash flows, discounted at a market based on interest rate at the reporting date.

(b) The Group uses the revaluation model to measure the value of its land and buildings which are comprised of administrative properties. Management has determined that this constitutes one class of asset under IAS 16 based on the nature, characteristics, and risks of the property. Property fair values were determined using market comparable methods. This means that valuations performed by appraisals are based on active market prices, adjusted for difference in the nature, location, or condition of the specific property. The Group engaged accredited independent appraisers to determine the fair value of its land and buildings.

The following table shows the valuation technique used to measure the fair value of the administrative property, as well as the unobservable investment used.

Valuation technique and significant unobservable entries

As of December 31, 2023, the following table shows the valuation technique used to measure the fair value of the administrative property, as well as the unobservable investment used.

	December 31, 2023	
Country	**Valuation technique**	**Significant unobservable entries (In dollars)**
El Salvador	The criteria for valuing the assets object of this offer were the fair value defined by IFRS (international financial reporting standards), as the value that corresponds to the price that would be received for selling an asset or paid to transfer a liability in a transaction, tender, orderly and mutual among duly informed market participants and on a specific date.	Square meter prices: $20 (December 31, 2022: $21,49). Total prices rental: $281,499 (December 31, 2022: $181,850.19).
Colombia	Market comparison approach: a method of assessing property by analyzing the prices of similar properties sold in the past and then making adjustments based on differences between the properties and the relative age of the other sale.	Expected market rental growth: 5% (December 31, 2022: 5%). Appreciation or depreciation of the Colombian peso against the US dollar: 21% (December 31, 2022: 21%).

(26) Income tax expense and other taxes

	December 31, 2023	December 31, 2022
Current income tax – assets	$ 126,089	$ 83,637
Other current taxes		
Current VAT – assets	48,410	85,821
Other current taxes	21,653	6,797
Total other current taxes	70,063	92,618
Total current taxes – assets	**$ 196,152**	**$ 176,255**
Current income tax – liabilities	**$** (25,523)	$ (6,607)
Others	(11,519)	(3,496)
Total Current income tax – liabilities	**$ (37,042)**	**$ (10,103)**

The Group has analyzed the impact of the Global Minimum Tax initiatives, which are set to be effective from 2024. The Group also considered its expected implementation in the United Kingdom from January 1st, 2024.

The analysis focused on assessing the taxable profit or loss within the jurisdiction of Costa Rica, with particular emphasis on the impact of the loyalty program located in a free trade zone. The analysis encompassed all complementary taxes of Pillar Two collected by the tax authorities, which typically constitute income taxes falling under the scope of IAS 12.

The outcome of this examination reveals that the Costa Ricans Effective Tax Rate (ETR) for 2024 will exceed 15%. Nonetheless, given this assessment relied on financial projections, the Group will conduct periodic monitoring of these findings.

Components of income tax expense

Income tax expense for the year ended December 31, 2023, is comprised of the following:

Consolidated statement of comprehensive income

	December 31, 2023	December 31, 2022
Current income tax:		
Current income tax charge	$ (38,905)	$ (10,112)
Current income tax charge discontinued operations	—	1,282
Subtotal	**$ (38,905)**	**$ (8,830)**
Deferred tax expense:		
Relating to origination and reversal of temporary differences	36,980	1,512
Subtotal	**36,980**	**1,512**
Income tax expense reported in the income statement	**$ (1,925)**	**$ (7,318)**

Amounts recognized in OCI

	December 31, 2023	December 31, 2022
Items that will not be reclassified to profit or loss:		
Revaluation of property, plant and equipment	$ (602)	$ (1,187)
Remeasurements of defined benefit liability (asset)	266	457
	$ (336)	**$ (730)**

Amounts recognized in equity

There are not amounts relating to current and deferred taxes recognized directly in equity.

Reconciliation of the tax effective rate

			December 31, 2023
Profit after tax from continuing operations		$	**138,004**
Income tax expense			1,925
Profit before tax from continuing operations		$	**139,929**
Tax using the company´s domestic tax rate	33%		46,177
Non temporary differences	(27.18%)		(38,026)
Losses in non-taxable jurisdictions	(115.11%)		(161,078)
Year tax losses without deferred tax	51.29%		71,776
Others	56.62%		79,226
	(1.38%)	**$**	**(1,925)**

			December 31, 2022
Loss after tax from continuing operations		$	**(320,438)**
Income tax expense			7,318
Loss before tax from continuing operations		$	**(313,120)**
Tax using the company´s domestic tax rate	33%		(103,330)
Non temporary differences	6.07%		(19,011)
Losses in non-taxable jurisdictions	(15.82%)		49,532
Year tax losses without deferred tax	(27.38%)		85,717
Others	1.79%		(5,590)
	(2.34%)	**$**	**7,318**

Movement in deferred tax balances

Concepts	December 31, 2023	December 31, 2022
Accounts payable	$ 480	$ 1,239
Provisions	42,678	2,666
Loss carry forwards	18,683	15,289
Leases- IFRS 16	43,519	5,785
Other	(63,956)	1,955
Aircraft maintenance	(1,444)	(7,864)
Non-monetary items	631	(16,820)
Intangible assets	(131,192)	(130,534)
Net deferred tax assets / (liabilities)	**$ (90,601)**	**$ (128,284)**

Deferred tax assets	$ 45,444	$ 27,397
Deferred tax liabilities	(136,045)	(155,681)
Net deferred tax assets / (liabilities)	**$ (90,601)**	**$ (128,284)**

Reconciliation of deferred tax liabilities, net

Concepts	December 31, 2023
As of December 31, 2022	**$ (128,284)**
Recognized in profit and loss	36,980
Recognized in other comprehensive income	(336)
Conversion effect	1,039
As of December 31, 2023	**$ (90,601)**

Concepts	December 31, 2022
As of December 31, 2021	**$ (128,834)**
Recognized in profit and loss	1,512
Recognized in other comprehensive income	(730)
Conversion effect	(232)
As of December 31, 2022	**$ (128,284)**

Unrecognized deferred tax liabilities

There are temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized, due to the exception allowed by paragraphs 39 and 44 of IAS 12.

Unecognized deferred tax assets.

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits there from:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 112,848	$ 45,630
Tax losses	289,284	256,473
	$ 402,132	**$ 302,103**

Tax losses carried forward

Tax losses were realized by the subsidiaries in Colombia, and Costa Rica. Currently, tax losses in Colombia expire in 12 years, in Costa Rica it expires in 3 years.

Tax rates

Taxation for the different jurisdictions is calculated at the rates prevailing in the respective jurisdiction, as follows:

Country	Applicable tax rate
Colombia	35%
United Kingdom (*)	25%
Brazil	34%
Chile	27%
Costa Rica	30%
Ecuador	28%
El Salvador	30%
Guatemala	25%
Honduras	25%
México	35%
Nicaragua	30%
Panamá	25%
United States	21%

(*) The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate in the United Kingdom from 19% to 25% with effect on April 1, 2023.

Uncertainty over income tax treatments

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessments of many factors, including interpretations of tax law and prior experience. There are no uncertainties over income tax treatments with adverse impacts for the Group identified in the assessments performed.

Global minimum top-up tax

On October 8th, 2021, 136 countries reached an agreement for an international tax reform. The agreement proposes two pillars. The first pillar is about how to divide taxing rights between countries. The second pillar is about how to ensure that multinational enterprises pay a minimum level of tax. The Pillar Two Global Anti-Base Erosion Model Rules propose four new taxing mechanisms. These mechanisms would ensure that multinational enterprises pay a minimum level of tax. These mechanisms include:

1. The "subject to tax" rule, which proposes a minimum tax on certain cross-border intercompany transactions that are not subject to a minimum level of tax.

2. The "income inclusion" rule, which proposes a minimum tax on the income arising in each jurisdiction in which the Group operates.

3. The "undertaxed payments" rule, which proposes a minimum tax on certain cross-border payments that are subject to tax but taxed at a low rate.

4. The "qualified domestic minimum top-up tax", which generally proposes a minimum tax on the income arising in each jurisdiction in which the Group operates.

Although the Group operates in several jurisdictions, the UPE (Ultimate Parent Entity) has been determined to be in the United Kingdom. The UK has yet to enact legislation to implement the global minimum top-up tax. However, the Group has already initiated the analysis of its impact, focusing mainly on Costa Rica, where the loyalty business is subject to tax at a legal rate of 0%. Nonetheless, since no legislation has been enacted, there is no current tax impact in the period ending December 31st, 2023.

The UK is expected to implement these new rules as of January 2024.

(27) Provisions for legal claims

As of December 31, 2023, the Group has been involved in various lawsuits and legal actions that arise through normal commercial activities. Of the total lawsuits and legal actions, Management has calculated a probable loss of $31,125 (December 31, 2022: $47,124).

These lawsuits are reflected in the consolidated financial statements position under the "Provision for legal claims" section.

Changes in litigation provisions during the year ended December 31, 2023, are as follows:

	December 31, 2023	December 31, 2022
Balances at the beginning of the period	$ 47,124	$ 56,278
Provisions constituted (1)	8,409	10,756
Provisions reverse (2)	(7,996)	(12,892)
Lawsuits deposits	(8,828)	(5,435)
Provisions used (3)	(7,584)	(1,583)
Balances at the end of the period	**$ 31,125**	**$ 47,124**

(1) During the year ended December 31, 2023, were constituted provisions related with tax and consumer protection processes for $3,947 and $1,536 respectively (December 31, 2022: $58 and $1,434 respectively). Also were recognized $327 (December 31, 2022: $6,193) for the net present value of claims, mainly tributary, consumer protection and labor.
(2) Corresponds mainly to changes in probabilities of contingent liabilities of labor lawsuits.
(3) Corresponds to the use of the provision mainly in tax processes, consumer protection and labor.

Certain processes are contingent liabilities and are therefore classified as potential future obligations and are subsequently categorized as possible. Based on plaintiffs' claims for the period ended December 31, 2023, these contingencies totaled $149,414 (December 31, 2022: $163,155). Certain losses that could arise from these litigations will be covered by insurance or with funds provided by third parties. The judicial processes resolved with said forms of payment are estimated at $13,878 as of December 31, 2023 (December 31, 2022: $16,447).

In accordance with IAS 37, the processes that the Company considers as representing an insubstantial risk are not included within the Consolidated Statements of Financial Position.

Internal investigations to determine whether we may have violated the U.S. Foreign Corrupt Practices Act and other laws

In August 2019, Avianca Holdings S.A. (former parent of the Avianca group) disclosed that it had discovered a business practice whereby, years before, certain employees, including members of senior management, as well as certain members of Avianca's board of directors, provided 'things of value' to government employees in certain countries which, based on its understanding, were limited to free and discounted airline tickets and upgrades. Avianca commenced an internal investigation and retained reputable external counsel as well as a specialized forensic investigatory firm to determine whether this practice may have violated the FCPA or other potentially applicable U.S. and

non-U.S. anti-corruption laws. In 2018, Avianca revised its policies to prevent said practices from reoccurring. This included limiting the number of persons at Avianca authorized to issue free and discounted airline tickets and upgrades and requiring additional internal approvals. In August 2019, Avianca voluntarily disclosed this investigation to the U.S. Department of Justice, the U.S. Securities and Exchange Commission (the "SEC"), and the Colombian Financial Superintendence.

In September 2019, the Colombian Superintendence of Companies (the "CSC") inspected Avianca's Bogota offices. In February 2020, the Office of the Attorney General of Colombia served Avianca with a warrant to inspect its offices in order to collect information related to the CSC's preliminary investigation. The CSC sent several requests of information that were timely responded by Avianca.

On May 28, 2021, the SEC informed Avianca that it had "concluded the investigation as to Avianca Holdings S.A." and "does not intend to recommend an enforcement action by the Commission against Avianca Holdings S.A."

To Avianca's knowledge and as of the date hereof, the CSC's preliminary investigation described above has not resulted in the opening of a formal investigation . Moreover, Avianca is of the view that the CSC is time-barred from commencing a formal investigation proceeding and should have closed the preliminary investigation, pursuant to applicable law. Formally, no employee or manager related to Avianca has been linked to any investigations conducted by the Colombian authorities in connection with those practices.

Internal Investigation regarding potential impacts at the Group due to corrupt business practices at Airbus

In January 2020, Airbus, the Company's primary aircraft supplier, entered into a settlement with authorities in France, the United Kingdom and the United States regarding corrupt business practices.

Airbus' settlement with French authorities references a possible request by an Avianca "senior executive" in 2014 for an irregular commission payment, which was ultimately not made. As a result of the foregoing, Avianca voluntarily conducted an internal investigation to analyze its commercial relationship with Airbus and to determine if it was the injured party of any improper or illegal acts. This internal investigation was disclosed to the U.S. Department of Justice and to the SEC as well as the Colombian Superintendence of Industry and Commerce and the Office of the Attorney General of Colombia.

To Avianca's knowledge and as of the date hereof, the Office of the Attorney General of Colombia and the Superintendence of Industry and Commerce are conducting preliminary investigations, in which they have requested information from Avianca, which, as usual, has been provided under the principle of active collaboration with authorities. Formally, no employee or collaborator related to Avianca has been linked to the investigations conducted by the Colombian authorities.

Avianca has presented itself as an injured party to the Attorney General's Office. Formal recognition as an injured occurs at the indictment hearing if it is reached.

SIC investigation into the acquisition of the Airlines Viva

On December 19, 2022, Colombian Superintendency of Industry and Commerce notified the opening of an investigation against the Colombian airline (i.e., Aerovías del Continente Americano S.A. Avianca) ("Avianca") for alleged gun jumping with regards to the acquisition of economic rights of the Viva airlines which was completed in April 2022 (excluding political rights which were isolated through a trust structure and granted to an independent third party).

The Superintendency argues that the (i) acquisition of economic rights of Viva by Investment Vehicle 1 Limited entails – in and of itself – the acquisition of control, and, thus, required clearance by the Aerocivil; and (ii) separation of political and voting rights is not real.

Remedies for the investigation to be dismissed were offered on January 16, 2023, and defense arguments were filed on January 17, 2023 arguing that (a) the deal was structured on the basis of the hold separate theory that is expressly allowed per Colombian merger control regulations and has been consistently recognized by antitrust authorities worldwide; and (b) there is evidence of the fact that the airlines have been acting independently, and have not incurred in any collusion or coordination activities.

On May 2, 2023, the Superintendency of Industry and Commerce notified Avianca of the dismissal of the investigation subject to some remedies different to those initially offered by Avianca. On May 16, 2023, Avianca filed a remedy of reconsideration requesting some adjustments to the remedies imposed by the Superintendency (the "Remedy").
On August 23, 2023, the Superintendency of Industry and Commerce notified Avianca of the final and non-appealable decision with respect to the acceptance of the remedies offered by Avianca. Consequently, the investigation has been terminated (the "Final Decision"). On, or around September 7, 2023, as per the Final Decision, Avianca, implemented most of the remedies, including but not limited to: (a) a corporate reorganization with respect to the economic rights of the Viva entities and the shares and economic rights of Rexton Enterprises, S.A.; and (b) a passengers protection plan by providing flight services to customers of the former airline Viva Air until September 2024, under certain specific conditions.

(28) Future aircraft leases payments

The Group has one hundred fifty-one (151) aircraft that are under leases for an average lease term of 78 months. Leases can be renewed, in accordance with the Administration's business plan. The following is the summary of the future commitments of leases:

	Aircraft
Less than one year	$ 454,630
Between one and five years	1,627,360
More than five years	1,208,984
	$ 3,290,974

Under IFRS 16, those leases that are legally denominated are recorded within the Consolidated Statement of Financial Position as part of ownership of plant and equipment as flight equipment as well as the recognition of the related financial liability that represents the present value of the minimum payments of the lease contract.

Avianca Group International has twenty-seven (27) spare engines that are under leases to support its aircraft fleet of A320, B787, A300 and B767 Families. The following is the summary of the future commitments of leases:

	Aircraft
Less than one year	$ 10,422
Between one and five years	27,451
More than five years	40,793
	$ 78,666

The value of payments recognized as expenses is:

	December 31, 2023	December 31, 2022
Leases minimum payments	$ 131,468	$ 225,343

(29) Acquisition of aircraft

In accordance with the agreements in effect, future commitments related to the acquisition of aircraft and engines as of December 31, 2023, are as follows:

	Less than one year	1-3 years	3-5 years	More than 5 years	Total
Aircraft and engine purchase commitments	$ 81,020	$ 1,281,871	$ 2,384,782	$ 1,952,319	$ 5,699,992

Amounts disclosed reflect certain discounts negotiated with suppliers as of the balance sheet date, which discounts are calculated on highly technical bases and are subject to multiple conditions and constant variations. Among the factors that may affect discounts are changes in our purchase agreements, including order volumes.

The Group plans to finance the acquisition of the commitments acquired with the resources generated by the Group and the financial operations that can be formalized with financial entities and aircraft leasing companies.

During 2023, we reached an agreement with Airbus to execute 15 option aircraft, 5 aircraft for 2027 and 10 for 2028, as part of our business plan. These options are part of the current Purchase Agreement with Airbus.

(30) Dividends

The Group did not decree or pay dividends during the year ended December 31, 2023.

(31) Operating Revenue

	For the year ended December 31, 2023	Percentage	For the year ended December 31, 2022	Percentage
Domestic				
Passengers	$ 1,677,207	35%	$ 1,663,477	42%
Ancillaries	477,433	10%	202,652	5%
Cargo and mail	340,711	7%	382,458	9%
	2,495,351	**52%**	**2,248,587**	**56%**
International				
Passengers	1,436,551	30%	1,118,983	27%
Ancillaries	416,765	9%	147,449	4%
Cargo and mail	335,861	7%	432,416	11%
	2,189,177	**46%**	**1,698,848**	**42%**
Others (1)	86,598	2%	100,421	2%
Total operating income	**$ 4,771,126**	**100%**	**$ 4,047,856**	**100%**

(1) Other Operating Income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Frequent flyer program	$ 31,974	$ 35,378
Ground operations (a)	5,722	11,627
Maintenance	1,809	655
Leases	8,101	6,410

Interline	52	88
Others (b)	38,940	46,263
	$ 86,598	**$ 100,421**

(a) Group provides services to other airlines at main hub airports.

(b) Corresponds mainly to non-operating income, refunds, recovery of provisions, and administrative fees.

Contract balances

The following table provides information on accounts receivable, assets and liabilities of contracts with customers.

	Notes	December 31, 2023	December 31, 2022
Net of accounts receivable	8	$ 233,913	$ 221,332
Prepaid compensation to clients	11	899	1,162
Air traffic responsibility	21	680,425	589,825
Frequent flyer deferred revenue	21	436,504	455,012

(32) Subsequent Events

1. In accordance with Law 860 of 2003, Decree-Law 1282 and 1283 of 1994, as of December 31, 2023, the Group requested the approval of the CAXDAC (Caja de Auxilios y de Prestaciones de ACDAC) pensions actuarial calculation to the Superintendencia de transporte, this approval was formalized, for the component of Avianca S.A., on January 26, 2024, through minute 002 of 2024.

   Likewise, on January 29, 2024, Avianca S.A. obtained the not debt certification from CAXDAC and consequently integrated the liability and asset plan, in such a way Avianca S.A. was released from this obligation, remaining in charge of CAXDAC from that date.

2. For Tampa Cargo S.A.S., the approval of the actuarial calculation to the Superintendencia de transporte in order to integrate the pension liability with CAXDAC, was requested on February 12, 2024.

   Likewise, on August 22, 2024, Tampa Cargo S.A.S. obtained a certification from CAXDAC notifying Tampa Cargo S.A.S. of its satisfaction of legal liability under the pension plan. Consequently, the liability and asset plan were integrated, such that Tampa Cargo S.A.S. was released from this obligation to CAXDAC from that date.

3. On March 1, 2024, Avianca filed before the SIC and within the time established by this authority the antitrust program for it to be reviewed by the SIC in accordance with the ninth remedy.

4. On May 15, 2024, pursuant to the Further Modified Joint Chapter 11 Plan of Avianca Holdings S.A. and Its Affiliated Debtors Docket No. 2259, which was confirmed by the U.S. Bankruptcy Court for the Southern District of New York on November 2, 2021 (the "Plan"), subsequent issuances of shares to 9 Electing General Unsecured Claim holders (as defined in the Plan, each such claim holder a "GUC") were completed (the "Third Tranche Issuances"). The Third Tranche Issuances, which were all implemented on May 15, 2024, included:

(a) The allotment and issuance to each GUC of 40,466 ordinary shares of US$0.0001 each in the capital of AGIL.
(b) Immediately after, the exchange of the shares received in AGIL for an equal number of IV1L shares.
(c) Immediately after, the transfer to Abra of the shares received in IV1L in consideration for such number of shares in Abra as established in the transaction documents.

As a consequence of the foregoing, the GUCs are currently Abra shareholders, Abra remains IV1L's sole shareholder and IV1L remains AGIL's sole shareholder.

5. On July 4, 2024, the SIC notified Avianca of its observations and recommendations regarding the antitrust program. On September 13, Avianca filed the antitrust program with the SIC observations and recommendations addressed.

6. On July 17, 2024, pursuant to the Plan, subsequent issuances of shares to 9 GUCs were completed (the "Fourth Tranche Issuances"). The Fourth Tranche Issuances, which were all implemented on July 17, 2024, included:

    (a) The allotment and issuance to the GUCs of 1,334 ordinary shares of US$0.0001 each in the capital of AGIL;
    (b) Immediately after, the exchange of the shares received in AGIL for an equal number of IV1L shares;
    (c) Immediately after, the transfer to Abra of the shares received in IV1L in consideration for such number of shares in Abra as established in the transaction documents.

After the implementation of the First Tranche Issuances, the Second Tranche Issuances, the Third Tranche Issuances, and the Fourth Tranche Issuances, the GUCs are currently Abra shareholders, Abra remains IV1L's sole shareholder and IV1L remains AGIL's sole shareholder. The Fourth Tranche Issuances was the last issuance to the GUCs in accordance with the Plan.

7. As part of the identification of opportunities to expand our coverage through strategic investments and acquisitions complementary to our current geographic footprint, the Group, through Avianca Midco 2 Plc, entered into an agreement subject to regulatory approvals and other conditions to acquire the majority of the economic rights of Wamos Air, S.A. a leading Spanish base airline that offers charter and Aircraft Crew Maintenance and Insurance (also known as just ACMI) services with fleet of 13 A330 aircraft. On October 15, 2024, after the closing conditions were satisfied, we closed the transaction and completed our strategic investment in Wamos Air S.A. that will complement our strategic network by providing optionality to expand Avianca's existing global footprint, which we expect to utilize to enhance European connectivity.

   The Group is unable to disclose the requirements of IFRS 3-B64 (e)-(q) because the business combination is incomplete at the time of these consolidated financial statements are authorized for issue.

8. On October 22, 2024, Abra Global Finance ("AGF"), a wholly owned subsidiary of Abra, closed a private placement of $510 million in initial aggregate principal amount of senior secured notes due in 2029 and obtained senior secured term loans maturing in 2029 in an initial aggregate principal amount of $740 million (collectively, the "Refinancing Debt"). AGF applied the net proceeds from the Refinancing Debt, together with cash on hand, to fund the redemption of all of AGF's senior secured notes due in 2028 and to pay related fees and expenses. The documents governing the Refinancing Debt contain covenants requiring that the "loan to value ratio" of Abra not exceed certain thresholds at the end of each fiscal quarter and upon the consummation of certain transactions. The equity interests of IV1L held by Abra were pledged to secure the obligations in respect of the Refinancing Debt. In addition, such equity interests of IV1L held by Abra continue to secure AGF's obligations in respect of its approximately $587 million in aggregate principal amount of senior secured exchangeable notes due in 2028.

9. On November 26, 2024, the Company prepaid in full its Revolving Credit Facility and immediately executed a new Revolving Credit Facility as the successor to the previous financing, increasing the available commitment from $100,000 to $200,000, with a tenor of 3-years. The facility is secured by: (i) spare parts, (ii) spare engines (previously pledged to a debt facility that was prepaid in connection with this transaction), (iii) cargo receivables, and (iv) certain airport slots at JFK and LHR.

10. On December 18, 2024, the Group, through their subsidiary Aerovías del Continente Americano S.A. ("Aerovías"), entered into an Intercompany Strategic and Advisory Services Agreement (the "Strategic and Advisory Services Agreement"), whereby Aerovías has engaged Abra to provide certain strategic advisory and consulting services provided from July 1, 2024. Pursuant to the Strategic and Advisory Services Agreement, Aerovías paid Abra $11,800 in 2024, representing the prorated quarterly fee for all services rendered by Abra to Aerovías, its affiliates and Beneficiaries (as defined in the Strategic and

Advisory Services Agreement), as applicable, under the Strategic and Advisory Services Agreement from July 1, 2024 to December 18, 2024. Such payment is expected to be reflected in our results for the fourth quarter of 2024.

11. On December 26, 2024, the Group signed a pre-delivery payments financing deed associated with 10 aircraft A320 Neo. This transaction is to be recognized as a financial liability for $48,000 at the end of 2024.

12. On December 31, 2024, the Group through its subsidiary Wamos Air entered into a loan for €22 million and a delayed amount of €14 million subject to certain conditions, including that the facility's amount outstanding does not exceed €22 million at any time. The loan has a maturity of 5 years, bears interest at a rate of 3-month EURIBOR plus 6.50% and is guaranteed by AGIL and certain existing guarantors and are secured by shares of Wamos Air representing a 78% stake held by Wav Air Holdings S.L.

    The loan contains certain financial covenants, which require Wamos Air and its subsidiaries to comply with a certain leverage ratio and to maintain a minimum liquidity of not less than €10 million. Additionally, the Wamos Facility contains (i) restrictive covenants which, among other things, limit the incurrence of liens, dispositions, operating leases, transactions with affiliates, guarantees and indemnities, dividends, additional indebtedness, mergers and investments, and (ii) customary events of default, including without limitation, payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults to certain other indebtedness in excess of specified amounts, certain events of bankruptcy and insolvency, judgment defaults in excess of specified amounts, repudiation of transaction documents, and expropriation.

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EXHIBIT A — FORM OF NEW NOTES INDENTURE

[Attached]

AVIANCA MIDCO 2 PLC,
as Issuer,

AVIANCA GROUP INTERNATIONAL LIMITED,
as Ultimate Parent and a Parent Guarantor,

the other GUARANTORS party hereto,

WILMINGTON SAVINGS FUND SOCIETY, FSB,
as Trustee, Registrar, Transfer Agent and Principal Paying Agent

and

GLAS AMERICAS LLC,
as Existing Collateral Trustee and 2025 Collateral Trustee

INDENTURE

Dated as of , 2025

9.000% Senior Secured Notes Due 2028

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Schedules:

Exhibits:

INDENTURE, dated as of , 2025, among Avianca MidCo 2 PLC, a public limited company incorporated and existing under the laws of England and Wales (the "**Company**" or the "**Issuer**"), Avianca Group International Limited, a private limited company incorporated and existing under the laws of England and Wales (the "**Ultimate Parent**"), the other GUARANTORS party hereto, WILMINGTON SAVINGS FUND SOCIETY, FSB, as trustee (the "**Trustee**"), Registrar, Transfer Agent and Principal Paying Agent, and GLAS AMERICAS LLC, as Existing Collateral Trustee and 2025 Collateral Trustee.

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders (as defined below) of the Company's 9.000% Senior Secured Notes due 2028 (the "**Exchange Notes**") issued pursuant to this Indenture, as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 *Definitions*.

"**2025 Collateral Trust Agreement**" means the Collateral Trust Agreement to be entered into on the Issue Date, by and among the Issuer, the Grantors party thereto, the Trustee, the trustee for the Refinancing Notes, the 2025 Collateral Trustee and each Additional Parity Lien Representative party thereto from time to time, as the same may be amended, supplemented, modified or otherwise changed from time to time.

"**2025 Collateral Trustee**" has the meaning specified in the preamble of this Indenture.

"**Acquired Indebtedness**" means Indebtedness of a Person or any of its subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Ultimate Parent or at the time it merges or consolidates with a Parent Guarantor, the Company or any of the Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Acquired Indebtedness will be deemed to have been incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with a Parent Guarantor, the Company or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

"**Additional Amounts**" has the meaning specified in Section 4.05.

"**Additional Secured Debt Facility**" has the meaning specified in the applicable Collateral Trust Agreement, as the context may require.

"**Additional Exchange Notes**" means any Exchange Notes issued under this Indenture in addition to the Initial Exchange Notes, having the same terms in all respects as the Initial Exchange Notes except for the issue date, issue price and, if applicable, the first interest payment date and the initial interest accrual date.

"**Affiliate**" means, with respect to any Person, any other Person that is in control of, is controlled by or is under common control with such Person. For purposes of this definition, control

of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"**Affiliate Cash Consideration Cap**" means, at the election of the Issuer:

(i) an amount equal to 110% of the applicable Seller's Cost; or

(ii) an amount within a range of values in connection with the applicable Investment to be determined by an Approved Appraisal Firm engaged at the expense of the Issuer or any other Guarantor.

"**Affiliate Transaction**" has the meaning specified in Section 4.09.

"**Agents**" means each of the Registrar, the Transfer Agent, the Paying Agents, and the Collateral Trustees, individually, an "**Agent**."

"**Aircraft Indebtedness**" means any (i) Indebtedness incurred to finance the acquisition or operation of aircraft, spare parts or engines, secured by aircraft, spare parts or engines the acquisition or operation of which are so financed, (ii) any asset-based Indebtedness on terms that are customary in the aviation industry secured by aircraft, spare parts or engines, and (iii) pre-delivery payment financing.

"**Airport Authority**" shall mean any city or any public or private board or other body or organization chartered or otherwise established for the purpose of administering, operating or managing airports or related facilities, which in each case is an owner, administrator, operator or manager of one or more airports or related facilities.

"**Applicable Intercreditor Agreement**" means, an intercreditor or subordination agreement or arrangement (which may take the form of a "waterfall" or similar provision) the terms of which are consistent with market terms governing intercreditor arrangements for the sharing or subordination of Liens or arrangements relating to the distribution of payments in respect of Collateral, as applicable, at the time the applicable agreement or arrangement is proposed to be established in light of the type of Indebtedness subject thereto as determined by the Issuer in good faith.

"**Applicable Procedures**" means the applicable procedures of DTC, Euroclear and Clearstream, in each case to the extent applicable.

"**Approved Appraisal Firm**" means any of the firms or institutions listed on Schedule I.

"**Asset Acquisition**" means:

(i) an Investment by a Parent Guarantor, the Company or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into a Parent Guarantor, the Company or any Restricted Subsidiary;

(ii) the acquisition by a Parent Guarantor, the Company or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Ultimate Parent) which constitute all or

substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or

(iii) any Revocation with respect to an Unrestricted Subsidiary.

"**Asset Sale**" means (i) the sale, conveyance, transfer or other disposition (including by way of merger or consolidation), whether in a single transaction or a series of related transactions, of property or assets of a Parent Guarantor (other than the sale of Capital Stock of the Ultimate Parent), the Company or any of the Restricted Subsidiaries (each referred to in this definition as a "disposition"), or (ii) the issuance or sale of Capital Stock of a Parent Guarantor (other than the issuance of Capital Stock of the Ultimate Parent), the Company or any of the Restricted Subsidiaries (whether in a single transaction or a series of related transactions and other than Disqualified Capital Stock or Preferred Stock of Restricted Subsidiaries issued in compliance with Section 4.08 or the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law), in each case, other than:

(A) a disposition of Cash Equivalents or obsolete, damaged, unnecessary, unsuitable or worn out property, equipment or other assets in the ordinary course of business and dispositions of inventory, goods or other assets in the ordinary course of business or no longer useful in the ordinary course of the Parent Guarantors', the Company's, the Guarantors' or the Restricted Subsidiaries' business (including the abandonment, cancellation, allowing to lapse or other disposition of intellectual property that is no longer used or useful in the ordinary course of the Parent Guarantors', the Company's or the Restricted Subsidiaries' business or is no longer economically practicable to maintain);

(B) the disposition of all or substantially all of the assets of the Ultimate Parent in a manner permitted pursuant to Article 5 or any disposition that constitutes a Change of Control;

(C) the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, pursuant to Section 4.19 or the granting of a Lien permitted by Section 4.21;

(D) any disposition of assets in any transaction or series of related transactions with an aggregate Fair Market Value of less than U.S.$10,000,000 in the aggregate per calendar year;

(E) any disposition of property or assets, issuance or sale of securities by a Restricted Subsidiary (including Capital Stock of such Restricted Subsidiary) to the Company or by the Company or a Restricted Subsidiary to another Restricted Subsidiary, including, for the avoidance of doubt, in connection with the unwinding, dissolution or liquidation of any wholly owned Subsidiary of the Company in connection with any measures adopted by the Company in order to simplify its corporate structure (as determined in good faith by management of the Company);

(F) the lease, assignment, sublease, license or sublicense of any real or personal property in the ordinary course of business or that do not materially interfere with the business of the Parent Guarantors, the Company and the Restricted Subsidiaries as then in effect;

(G) any issuance, sale or other disposition of Capital Stock of an Unrestricted Subsidiary;

(H) disposition of an account receivable in connection with the collection or compromise thereof;

(I) (i) foreclosures, condemnation, expropriation, forced dispositions, eminent domain or any similar action (whether by deed of condemnation or otherwise) with respect to assets, and (ii) transfers of any property that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement or upon receipt of the net proceeds of such casualty event;

(J) the sale, lease, assignment, license, sublicense or sublease of inventory, equipment, accounts receivable, notes receivable or other current assets, in each case, held for sale in the ordinary course of business;

(K) the licensing, sublicensing or cross-licensing of intellectual property in the ordinary course of business (including between Restricted Subsidiaries) and which does not materially interfere with the business of the Parent Guarantors, the Company and the Restricted Subsidiaries as then in effect;

(L) the surrender or waiver of obligations of trade creditors or customers or other contract rights that were incurred in the ordinary course of business of the Parent Guarantors, the Company or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or compromise, settlement, release or surrender of a contract, tort or other litigation claim, arbitration or other disputes;

(M) dispositions of Investments (including Capital Stock) in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements or rights of first refusal between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(N) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) an amount equal to the net proceeds of such disposition are promptly applied to the purchase price of such replacement property;

(O) any financing transaction with respect to property built or acquired by the Parent Guarantors, the Company or any Restricted Subsidiary after the Issue Date, including Sale and Leaseback Transactions, in each case, permitted under this Indenture;

(P) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or other litigation claims in the ordinary course of business;

(Q) the unwinding or voluntary termination of any Hedging Obligations; and

(R) (i) any issuance, sale or other disposition of Capital Stock (other than Preferred Stock or Disqualified Capital Stock) of the Ultimate Parent pursuant to any bona fide management incentive plan, or (ii) subject to the terms and conditions of the Share Pledge Agreements, any issuance, sale or other disposition of Capital Stock (other than Preferred Stock or Disqualified Capital Stock) of the Company or a Restricted Subsidiary in an amount not to exceed $10,000,000 at any time pursuant to any bona fide management incentive plan.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, the Ultimate Parent or the Company, in their sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Sale and/or one or more of the types of permitted Restricted Payments or Permitted Investments.

"**Authenticating Agent**" has the meaning specified in Section 2.02.

"**Authorized Denomination**" has the meaning specified in Section 2.02.

"**Bankruptcy Law**" means Title 11, U.S. Code or any similar federal, state or foreign law for the relief of debtors.

"**Business Day**" means any day other than a Saturday, a Sunday or a legal holiday in the United Kingdom, Colombia or the United States or a day on which banking institutions or trust companies are authorized or obligated by law to close in the United Kingdom, Colombia, the State of Delaware or The City of New York.

"**Capital Markets Offering**" means any offering of "securities" (as defined under the Securities Act) in (a) a public offering registered under the Securities Act, or (b) an offering not required to be registered under the Securities Act (including, without limitation, a private placement under Section 4(a)(2) of the Securities Act, an exempt offering pursuant to Rule 144A and/or Regulation S of the Securities Act and an offering of exempt securities).

"**Capital Stock**" means, with respect to any Person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting) such Person's equity, including any Preferred Stock, but excluding any debt securities convertible into or exchangeable for such equity.

"**Cash Equivalents**" means:

(i) U.S. dollars, or money in the local currency of any country in which the Parent Guarantors, the Company or any of the Restricted Subsidiaries operates;

(ii) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof;

(iii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any country recognized by the Unites States of America maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the three highest ratings obtainable from either S&P or Moody's or any successor thereto;

(iv) commercial paper outstanding at any time, maturing not more than one year after the date of acquisition, issued by any Person (other than an Affiliate of the Ultimate Parent) that is organized under the laws of the United States of America, any state thereof or any Latin American country recognized by the United States and rated P-1 or better from Moody's or A-1 or better from S&P or, with respect to Persons organized outside of the United States, a local market credit rating at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's and in each case with maturities of not more than 360 days from the date of acquisition thereof;

(v) demand deposits, certificates of deposit, overnight deposits and time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any commercial bank that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States and at the time of acquisition thereof has capital and surplus in excess of U.S.$500,000,000 (or the foreign currency equivalent thereof) and a rating of P-1 or better from Moody's or A-1 or better from S&P or, with respect to a commercial bank organized outside of the United States, a local market credit rating of at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's, or with government owned financial institution that is organized under the laws of any of the countries in which the Parent Guarantors, the Company or the Restricted Subsidiaries conduct business;

(vi) insured demand deposits made in the ordinary course of business and consistent with the Parent Guarantors', the Company's or their Subsidiaries' customary cash management policy in any domestic office of any commercial bank organized under the laws of the United States of America or any state thereof;

(vii) repurchase obligations with a term of not more than 360 days for underlying securities of the types described in clauses (ii), (iii) and (iv) above entered into with any financial institution meeting the qualifications specified in clause (v) above;

(viii) substantially similar investments denominated in the currency of any jurisdiction in which the Parent Guarantors, the Company or any of the Restricted Subsidiaries conducts business of issuers whose country's credit rating is at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's;

(ix) any other securities or pools of securities that are classified under IFRS as cash equivalents or short-term investments on a balance sheet as of such date; and

(x) investments in money market funds which invest at least 95% of their assets in securities of the types described in clauses (i) through (ix) above.

"**Certificated Note**" has the meaning specified in Section 2.06.

"**Change of Control**" means:

(i) the direct or indirect sale or transfer (other than by way of merger or consolidation) of all or substantially all the assets of the Ultimate Parent or the Issuer to another Person (in each case, unless such other Person is a Permitted Holder);

(ii) the consummation of any transaction (including, without limitation, by merger, consolidation, acquisition or any other means) as a result of which any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the "beneficial owner" (as such term is used in Rules 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Ultimate Parent; or

(iii) Ultimate Parent shall cease to hold, directly or indirectly, 100% of the Voting Stock of the Issuer; *provided* that for the avoidance of doubt, to the extent there is no Parent Guarantor resulting from a transaction permitted under Article 5, this clause (iii) shall be disregarded and of no effect.

"**Clearstream**" means Clearstream Banking, *société anonyme*, Luxembourg.

"**Collateral**" means, collectively, all assets subject or purported to be subject to any Lien pursuant to the Collateral Documents.

"**Collateral and Guarantee Requirements"** has the meaning specified in the applicable Collateral Trust Agreement.

"**Collateral Documents**" means the security agreements, share pledges agreements (collectively, "**Share Pledge Agreements**"), debentures, collateral assignments, mortgages, deeds of trust, intellectual property assignments, intellectual property pledges, Collateral Trust Agreements, each Applicable Intercreditor Agreement and/or other instruments evidencing or creating a security interest in favor of the applicable Collateral Trustee for its benefit and the benefit of the Secured Parties, in all or any portion of the Collateral (including Collateral pursuant to Section 4.11), as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed from time to time, including, without limitation, each Collateral Document listed on Schedule II hereto.

"**Collateral Document Order**" has the meaning specified in Section 12.07(r).

"**Collateral Release**" means the release of the Released Assets (as defined in and further described in the Exchange Offer Memorandum) from the pledge created by the Existing Collateral Documents.

"**Collateral Trust Agreements**" means, collectively, the Existing Collateral Trust Agreement, the 2025 Collateral Trust Agreement and any other collateral trust agreement from time to time entered into pursuant to this Indenture.

"**Collateral Trustee**" means each of the Existing Collateral Trustee and the 2025 Collateral Trustee.

"**Company Order**" means a written order signed in the name of the Company by an Officer.

"**Consolidated EBITDAR**" shall mean, with respect to any specified Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus or minus, as applicable, and without duplication:

(i) an amount equal to any extraordinary loss (to the extent not covered by business interruption insurance to the extent added pursuant to clause (ix) below) plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with any Disposition of assets outside of the ordinary course of business, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(ii) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(iii) the Fixed Charges of such Person and its Restricted Subsidiaries, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(iv) any non-cash foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such period, to the extent that such losses were deducted in computing such Consolidated Net Income; plus

(v) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Restricted Subsidiaries to the extent that such depreciation, amortization and other non-cash charges or expenses were deducted in computing such Consolidated Net Income; plus

(vi) the amortization of debt discount to the extent that such amortization was deducted in computing such Consolidated Net Income; plus

(vii) deductions for grants to any employee of such Person or its Restricted Subsidiaries of any Capital Stock during such period to the extent deducted in computing such Consolidated Net Income; plus

(viii) any non-cash mark-to-market accounting losses arising under fuel hedging arrangements, to the extent deducted in computing such Consolidated Net Income; plus

(ix) proceeds from business interruption insurance for such period, to the extent not already included in computing such Consolidated Net Income; plus

(x) any expenses and charges that are covered by indemnification or reimbursement provisions in connection with any permitted acquisition, merger, disposition, incurrence of Indebtedness, issuance of Capital Stock or any investment to the extent (a) actually indemnified or reimbursed and (b) deducted in computing such Consolidated Net Income; minus

(xi) an amount equal to any extraordinary gains and any net gains realized by such Person or any of its Restricted Subsidiaries in connection with any Disposition of assets outside of the ordinary course of business to the extent such gains increased such Consolidated Net Income; minus

(xii) non-cash items, other than the accrual of revenue in the ordinary course of business, to the extent such amount increased such Consolidated Net Income; minus

(xiii) the sum of (A) income tax credits and (B) interest income included in computing such Consolidated Net Income; minus

(xiv) non-cash foreign currency translation gains (including gains related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries, to the extent such gains were included in computing such Consolidated Net Income; minus

(xv) any non-cash mark-to-market accounting gains arising under fuel hedging arrangements, to the extent such gains were included in computing such Consolidated Net Income; in each case, determined on a consolidated basis in accordance with IFRS, provided that, if any Restricted Subsidiary is not a wholly-owned Restricted Subsidiary, Consolidated EBITDAR shall be reduced (to the extent not otherwise reduced in accordance with IFRS as in effect on the Issue Date or the definition of Consolidated Net Income) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Ultimate Parent, the Issuer or any of the Restricted Subsidiaries.

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (or loss) of any Unrestricted Subsidiary of such Person), determined in accordance with IFRS and without any reduction in respect of Preferred Stock dividends; *provided* that:

(i) all net after tax extraordinary, non-recurring or unusual gains or losses and all gains or losses realized in connection with any Disposition of assets outside of the ordinary course of business the early extinguishment of Indebtedness of such Person, together with any related provision for taxes on any such gain, will be excluded;

(ii) the net income (but not loss) of any Person that is not the specified Person or a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included for such period only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the specified Person;

(iii) the net income (but not loss) of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(iv) the cumulative effect of a change in accounting principles on such Person will be excluded;

(v) the effect of non-cash gains and losses of such Person resulting from Hedging Obligations, including that attributable to movement in the mark-to-market valuation of Hedging Obligations, will be excluded;

(vi) any non-cash compensation expense recorded from grants by such Person of stock appreciation or similar rights, stock options or other rights to officers, directors or employees, will be excluded;

(vii) the effect on such Person of any non-cash items resulting from any amortization, write-up, write-down or write-off of assets (including intangible assets, goodwill and deferred financing costs) in connection with any acquisition, disposition, merger, consolidation or similar transaction or any other non-cash impairment charges incurred subsequent to the Issue Date, will be excluded; and

(viii) any provision for income tax reflected on such Person's financial statements for such period will be excluded to the extent such provision exceeds the actual amount of taxes paid in cash during such period by such Person and its consolidated Subsidiaries.

"**Corporate Trust Office**" means the office of the Trustee or the Collateral Trustees at which at any particular time its corporate trust business shall be principally administered (which office, in the case of the Trustee, as of the date of this Indenture is located, solely for purposes of transfer, surrender, exchange or presentation for final payment, at: 500 Delaware Avenue, 11th Floor, Wilmington, Delaware 19801, Attn: Corporate Trust – Raye Goldsborough – Avianca Midco 2) (and which office as of the date of this Indenture is located, for purposes of the Collateral Trustees, at: GLAS Americas LLC, 3 Second Street, Suite 206, Jersey City, NJ 07311.

"**covenant defeasance option**" has the meaning specified in Section 8.01.

"**Currency**" means miles, points and/or other units that are a medium of exchange constituting a convertible, virtual and private currency that is tradable property and that can be sold or issued to Persons.

"**Custodian**" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**defeasance trust**" has the meaning specified in Section 8.02.

"**Depositary**" means DTC or any successor depositary for the Exchange Notes.

"**Designation**" and "**Designation Amount**" have the respective meanings assigned to them in Section 4.20(a).

"**Disqualified Capital Stock**" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof.

"**DTC**" means The Depository Trust Company.

"**ECA**" means export credit agency.

"**Equity Consideration**" means any consideration paid in the form of, or from the cash proceeds of any issuance of, Capital Stock or Preferred Equity (other than Disqualified Capital Stock), or any option, warrant or other right to acquire Capital Stock or Preferred Equity (other than Disqualified Capital Stock) of the Ultimate Parent.

"**Euroclear**" means Euroclear Bank S.A./N.V.

"**Event of Default**" has the meaning specified in Section 6.01.

"**Excluded Accounts**" has the meaning specified in the Collateral Trust Agreements.

"**Excluded Assets**" has the meaning specified in the Collateral Trust Agreements.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Exchange Notes**" has the meaning specified in the preamble of this Indenture and shall be in the form of Exchange Note set forth in Exhibit A.

"**Exchange Note Guarantees**" means the guarantee of the Exchange Notes by a Guarantor pursuant to this Indenture.

"**Exchange Offer Memorandum**" means the Exchange Offer and Consent Solicitation Memorandum of the Company dated as of January 14, 2025.

"**Existing Collateral Documents**" means the Collateral Documents that secure the Exit

Notes immediately prior to the Issue Date, but after giving effect to the Collateral Release.

"**Existing Collateral Trust Agreement**" means that certain Collateral Trust Agreement, dated as of December 1, 2021, by and among the Issuer, the Grantors party thereto, WILMINGTON SAVINGS FUND SOCIETY, FSB, the Existing Collateral Trustee, the trustee for the Stub Notes and each Additional Parity Lien Representative party thereto from time to time, including the Trustee and the trustee for the Refinancing Notes pursuant to one or more joinders, to be dated as of the Issue Date, as the same may be amended, supplemented, modified or otherwise changed from time to time.

"**Existing Collateral Trustee**" has the meaning specified in the preamble of this Indenture.

"**Expiration Date**" has the meaning specified in Section 1.05(j).

"**Fair Market Value**" means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction; *provided* that the Fair Market Value of any such asset or assets will be determined conclusively by the board of directors of the Ultimate Parent or the Company acting in good faith, and will be evidenced by a board resolution.

"**Finance Lease Obligation**" means, with respect to any Person, any obligation that is required to be classified and accounted for as a finance lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Fitch**" means Fitch Ratings, Ltd. and its successors.

"**Fixed Charge Coverage Ratio**" means, as of any date of determination, the ratio of the aggregate amount of Consolidated EBITDAR for such Person for the four most recent full fiscal quarters for which financial statements are required to be provided pursuant to Section 8.01 ending on or prior to the date of such determination to Fixed Charges for such Person for the four most recent full fiscal quarters for which financial statements are required to be provided pursuant to Section 8.01 ending on or prior to the date of such determination (subject to the last paragraphs of the definitions of "Consolidated EBITDAR" and "Fixed Charges").

"**Fixed Charges**" means, with respect to any specified Person and its Restricted Subsidiaries for any period, the sum, without duplication, of:

(i) the consolidated interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period to the extent that such interest expense is payable in cash (and such interest income is receivable in cash); plus

(ii) the interest component of leases that are capitalized in accordance with IFRS of such Person and its Restricted Subsidiaries for such period to the extent that such interest component is related to lease payments payable in cash; plus

(iii) other than for purposes of calculating Consolidated EBITDAR, any scheduled principal payments due with respect to Indebtedness of such Person or any of its Restricted Subsidiaries or of another Person that is guaranteed by such specified Person or any of its Restricted Subsidiaries or secured by assets of such specified Person or any of its Restricted Subsidiaries in cash for such period by such specified Person and its Restricted Subsidiaries for such period; plus

(iv) any interest expense actually paid in cash for such period by such specified Person or any of its Restricted Subsidiaries on Indebtedness of another Person that is guaranteed by such specified Person or any of its Restricted Subsidiaries or secured by a Lien on assets of such specified Person or any of its Restricted Subsidiaries; plus

(v) all dividends or distributions payable in cash on any series of Disqualified Capital Stock or Preferred Stock of such Person or any series of Disqualified Capital Stock or Preferred Stock of its Restricted Subsidiaries; plus

(vi) the aircraft rent expense of such Person and its Restricted Subsidiaries for such period to the extent that such aircraft rent expense is payable in cash, all as determined on a consolidated basis in accordance with IFRS.

"**Gates**" shall mean, at any time, all of the right, title, privilege, interest and authority, now held or hereafter acquired, of the Issuer or any Guarantor in connection with the right to use or occupy holdroom and passenger boarding and deplaning space in an airport terminal at any airport at which the Issuer or any such Guarantor conducts scheduled operations.

"**Global Note**" means a global note representing the Exchange Notes substantially in the form attached hereto as Exhibit A.

"**Global Note Legend**" means the following legend, printed in capital letters:

> "UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK LIMITED PURPOSE TRUST COMPANY ("DTC"), TO THE COMPANY NAMED HEREIN (THE "COMPANY") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE IN WHOLE SHALL BE LIMITED TO TRANSFERS TO A NOMINEE OF DTC OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY AND TRANSFERS OF THIS GLOBAL NOTE IN PART SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE AND REFERRED TO ON THE REVERSE HEREOF."

"**Governmental Authority**" shall mean the government of Bahamas, Bermuda, Canada, Costa Rica, Curacao, El Salvador, Guatemala, Honduras, the United Kingdom, the United States of America, Mexico, Nicaragua, Colombia, Ecuador and any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank organization, or other entity exercising executive, legislative, judicial, taxing or regulatory powers or functions of or pertaining to government. Governmental Authority shall not include any Person in its capacity as an Airport Authority.

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person; *provided* that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"**Guarantor**" means (i) each of the Parent Guarantors, Avianca Group (UK) Limited, Aeroinversiones de Honduras, S.A., Aerovías del Continente Americano S.A. Avianca, Airlease Holdings One Ltd., America Central (Canada) Corp., America Central Corp., AV International Holdco S.A., AV International Holdings S.A., AV International Investments S.A., AV International Ventures S.A., AV Investments One Colombia S.A.S., AV Investments Two Colombia S.A.S., AV Loyalty Bermuda Ltd., AV Taca International Holdco S.A., Aviacorp Enterprises, S.A., Avianca Costa Rica S.A., Avianca, Inc., Avianca-Ecuador S.A., Aviaservicios, S.A., Aviateca, S.A., C.R. Int'l Enterprises, Inc., Grupo Taca Holdings Limited, International Trade Marks Agency Inc., Inversiones del Caribe, S.A., Latin Airways Corp., Latin Logistics, LLC, LifeMiles Ltd., LifeMiles Trading Co International Ltd., LifeMiles Trading Co. Costa Rica S.R.L., LifeMiles US Finance LLC, LoyaltyCo, S.A. de C.V., Nicaragüense de Aviación, Sociedad Anónima, Regional Express Américas S.A.S., Ronair N.V., Servicio Terrestre, Aéreo y Rampa S.A., Taca de Honduras, S.A. de C.V., Taca de México, S.A., Taca International Airlines S.A., Taca S.A., Tampa Cargo S.A.S. and Technical and Training Services, S.A. de C.V. and (ii) each Person that executes a supplemental indenture in the form of Exhibit B providing for the guarantee of the payment of the Exchange Notes, or any successor obligor under the Exchange Note Guarantee pursuant to Section 5.02, in each case unless and until such Guarantor is released from its Exchange Note Guarantee pursuant to this Indenture.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement designed to protect such Person against changes in interest rates or foreign exchange rates.

"**Holder**" or "**Holder of an Exchange Note**" means the Person in whose name an Exchange Note is registered on the Registrar's books.

"**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board, as in effect from time to time.

"**Indebtedness**" means, with respect to any Person, without duplication:

(i) the principal of and premium, if any, in respect of (a) indebtedness of such Person for money borrowed and (b) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; *provided*, however, that any warrants that by reason of their accounting treatment under IAS32 would be treated as a financial liability shall not be construed as Indebtedness solely as the result of such treatment;

(ii) all Finance Lease Obligations of such Person;

(iii) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but in each case excluding trade accounts payable or other short-term obligations, in each case arising in the ordinary course of business);

(iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar instrument (other than obligations with respect to letters of credit securing obligations entered into in the ordinary course of business of such Person if, to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(v) all net obligations due and payable under Hedging Obligations of such Person;

(vi) all obligations of the type referred to in clauses (i) through (v) of other Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other Persons that are customers or suppliers of such Person for which such Person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such Person does not, or is not required to, make payment in respect thereof); and

(vii) all obligations of the type referred to in clauses (i) through (v) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured.

Notwithstanding the foregoing, trade payables incurred in the ordinary course of business shall not constitute "Indebtedness."

"**Indenture**" means this Indenture, as amended or supplemented from time to time in accordance with the provisions hereof.

"**Initial Exchange Notes**" means the U.S.$ in aggregate principal amount of Exchange Notes issued on the Issue Date.

"**Intercompany Strategic Advisory Services Agreement**" means that certain intercompany strategic advisory services agreement dated as of December 18, 2024 by and between Abra Group Limited and Aerovías del Continente Americano S.A. Avianca (as amended, restated, supplemented, renewed, extended, replaced or otherwise modified from time to time).

"**interest**" on an Exchange Note means the interest on such Exchange Note (including any Additional Amounts payable by the Company in respect of such interest).

"**Interest Payment Date**" means the Payment Date of an installment of interest on the Exchange Notes.

"**Investments**" means, with respect to any Person, any:

(i) direct or indirect loan, advance or other extension of credit (including, without limitation, a guarantee or assumption of Indebtedness) to any other Person (other than advances or extensions of credit to customers in the ordinary course of business);

(ii) capital contribution (by means of any transfer of cash or other property or contract to others or any payment for property or services for the account or use of others) to any other Person;

(iii) any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person; or

(iv) advances by such Person for future capital contributions in any other Person.

"**Investment**" will exclude accounts receivable or deposits arising in the ordinary course of business. "Invest," "Investing" and "Invested" have corresponding meanings.

"**IP Pledge**" means a first-priority perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest or mortgage in the intellectual property held by the Issuer and the Guarantors, in each case, as provided for in the intellectual property pledges set forth in Schedule II or provided pursuant to Section 4.11(a).

"**issue**" means issue, assume, guarantee, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be issued by such Subsidiary at the time it becomes a Subsidiary; and the term "issuance" has a corresponding meaning.

"**Issue Date**" means , 2025.

"**Issuer**" has the meaning specified in the preamble of this Indenture.

"**legal defeasance option**" has the meaning specified in Section 8.01.

"**Lien**" means any lien, mortgage, pledge, security interest, encumbrance, conditional sale or other title retention agreement or other similar lien; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"**LifeMiles**" means LifeMiles Ltd., an exempted company limited by shares continued into and now existing under the laws of Bermuda.

"**LifeMiles Agreements"** means all currently existing, future and successor co-branding agreements, partnering agreements, airline-to-airline frequent flyer program agreements or similar agreements related to or entered into in connection with the Loyalty Program.

"**Liquidity**" means the sum of (i) all unrestricted cash and Cash Equivalents of the Parent Guarantors, the Company and the Restricted Subsidiaries which is not (x) subject to any Lien or control agreement (excluding statutory liens in favor of any depositary bank where such cash is maintained or any Lien granted to the Collateral Trustee under the applicable Collateral Documents) or (y) held as deposits or security for contractual obligations of the Parent Guarantors, the Company and the Restricted Subsidiaries, (ii) the aggregate principal amount committed and available to be drawn by the Parent Guarantors, the Company and the Restricted Subsidiaries (taking into account all borrowing base limitations or other restrictions and conditions) under all revolving credit facilities of the Parent Guarantors, the Company and the Restricted Subsidiaries and (iii) the scheduled net proceeds (after giving effect to any expected repayment of existing Indebtedness using such proceeds or other uses of such proceeds) of any Capital Markets Offering of the Parent Guarantors, the Company or the Restricted Subsidiaries that has priced but has not yet closed (until the earliest of the closing thereof, the termination thereof without closing, the date that falls five (5) Business Days after the initial scheduled closing date thereof and the date that falls within fifteen (15) Business Days after the date of the pricing thereof).

"**Loyalty Program**" shall mean any customer loyalty program available to individuals (i.e., natural persons) that grants members in such program Currency based on a member's purchasing behavior and that entitles a member to accrue and redeem such Currency for a benefit or reward, including flights and/or other goods and services.

"**Material Adverse Effect**" shall mean a material adverse effect on (a) the consolidated business, operations or financial condition of the Ultimate Parent and its Subsidiaries, taken as a whole (other than resulting from or related to any matters publicly disclosed prior to the Issue Date), (b) the validity or enforceability of any of this Indenture or the Collateral Documents or the rights or remedies of the Agents and the Holders hereto, (c) the validity, perfection and priority of the Liens on the Collateral (taken as a whole) in favor of the Collateral Trustees (for their benefit and for the benefit of the other Secured Parties), or (d) the ability of the Issuer and the Guarantors, collectively, to fulfill the obligations hereto.

"**Maturity**" means, when used with respect to any Exchange Note, the date on which the outstanding principal of and interest on such Exchange Note becomes due and payable as therein or herein provided, whether by declaration of acceleration, call for redemption or otherwise.

"**Minimum Rating**" means a rating of BB or higher by S&P or Fitch or Ba2 or higher by Moody's.

"**Moody's**" means Moody's Investors Service, Inc. and its successors and assigns.

"**Non-Guarantor Subsidiary**" means any Subsidiary that is not a Guarantor.

"**Offer to Purchase**" has the meaning specified in Section 4.10.

"**Officer**" means the president or chief executive officer, any vice president, the chief financial officer, the legal representative, the treasurer or any assistant treasurer, or the secretary or any assistant secretary, of the applicable Issuer or Guarantor or any other Person duly appointed by the shareholders or the board of directors of the applicable Issuer or Guarantor to perform corporate duties.

"**Officers' Certificate**" means a certificate signed by any two Officers of the Issuer or applicable Guarantor and delivered to the Trustee; *provided*, that, if any Guarantor has only one Officer, then only such Officer is required to sign any Officers' Certificate.

"**Opinion of Counsel**" means a written opinion of legal counsel of recognized standing (who may be an employee of or counsel to the Issuer or any Guarantor) and who shall be reasonably acceptable to the Trustee, which opinion is in a form reasonably satisfactory to the Trustee.

"**Original Issue Discount Legend***"* means the following legend, printed in capital letters:

"THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" FOR PURPOSES OF SECTIONS 1271-1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. A HOLDER OR BENEFICIAL OWNER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR THIS NOTE BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO THE ISSUER AT THE ADDRESS PROVIDED IN THE INDENTURE."

"**Outstanding**" means, when used with respect to Exchange Notes, as of the date of determination, all Exchange Notes theretofore authenticated and delivered under this Indenture, except:

(i) Exchange Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) Exchange Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Exchange Notes; *provided* that if such Exchange Notes are to be redeemed pursuant to Section 3.01, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) Exchange Notes, except to the extent provided in Sections 8.01 and 8.02, with respect to which the Company has effected legal defeasance and/or covenant defeasance as provided in Article 8; and

(iv) Exchange Notes in exchange for or in lieu of which other Exchange Notes have been authenticated and delivered pursuant to this Indenture, other than any such Exchange Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Exchange Notes are held by a bona fide purchaser or protected purchaser in whose hands such Exchange Notes are valid obligations of the Company; *provided*, *however*, that in determining whether the Holders of the requisite principal amount of Outstanding Exchange Notes have given any request, demand, authorization, direction, consent, notice or waiver hereunder, Exchange Notes owned by a Parent Guarantor, the Company or any of their Subsidiaries shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, consent, notice or waiver, only Exchange Notes which a Responsible Officer of the Trustee has received written notice at its address specified herein of being so owned shall be so disregarded. Exchange Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee, the pledgee's right so to act with respect to such Exchange Notes and that the pledgee is not the Company, or any other obligor under the Exchange Notes or any of its or such other obligor's Affiliates.

"**Owned Material Real Property**" means any Real Property owned in fee by the Issuer or any Guarantor that has a fair market value (as determined in good faith by an Officer of the Issuer) of $50.0 million or more.

"**Parent Entity**" means any direct or indirect parent of the Company.

"**Parent Guarantor**" means Ultimate Parent, AVN Flight Cayman Limited, Avianca Midco 1 Limited and any Subsidiary of Ultimate Parent (that is not a Subsidiary of the Company) that has become a Guarantor pursuant to Section 4.12(b).

"**Paying Agent**" means the Principal Paying Agent and any other Person authorized by the Company to pay the principal of or interest on any Exchange Notes on behalf of the Issuer hereunder.

"**Payment Date**" means an Interest Payment Date or the date on which payment of principal of the Exchange Notes is due.

"**Permitted Affiliate Transaction**" means any or all of the following:

(i) An Affiliate Transaction that constitutes a Strategic Investment or Asset Acquisition, provided that the consideration therefor is paid in the form of Equity Consideration;

(ii) An Affiliate Transaction that constitutes a Strategic Investment or Asset Acquisition as permitted under, and made pursuant to, clause (xix) of the definition of Permitted Investments and that has been duly approved in accordance with the Ultimate Parent's or the Company's organizational documents and shareholders' agreement, provided that any consideration in respect of such Permitted Affiliate Transaction shall not exceed the Affiliate Cash Consideration Cap unless such excess shall be payable solely in the form of Equity Consideration;

(iii) (x) the Intercompany Strategic Advisory Services Agreement as in effect on the Issue Date and (y) any other agreement in effect on the Issue Date (and performance thereunder) or, in each case, any amendment, replacement, extension or renewal, so long as, such agreement, as so amended, replaced, extended or renewed is not materially less advantageous, taken as a whole, to the holders than the original agreement as in effect on the Issue Date;

(iv) (x) any employment agreement, confidentiality agreement, non-competition agreement, incentive plan, employee stock option agreement, long-term incentive plan, profit sharing plan, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Ultimate Parent or any of its Subsidiaries in the ordinary course of business and payments pursuant thereto and (y) payment of fees, compensation, reimbursements of expenses (pursuant to indemnity arrangements or otherwise) and reasonable and customary indemnities provided to or on behalf of officers, directors, employees or consultants of the Ultimate Parent, any Parent Entity or any of their respective Subsidiaries; and

(v) Permitted Investments and Restricted Payments that do not violate Section 4.19.

"**Permitted Holders**" means any or all of the following:

(i) United, South Lake One Subco LLC, Kingsland International Group, S.A., Elliott Associates, L.P., Elliott International, L.P., Mobi Fundo de Investimento em Ações Investimento no Exterior, and Global Kiboko SL;

(ii) any Affiliate of any one or more of the Persons described in (i) (including, as of the Issue Date, Abra Group Limited); and

(iii) any Person or group in which the Permitted Holders, directly or indirectly, beneficially own (as such term is used in Rule 13d-3 under the Exchange Act) more than fifty (50%) of the outstanding Voting Stock.

"**Permitted Investments**" means:

(i) Investments by a Parent Guarantor, the Company or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into a Parent Guarantor, the Company or with or into a Restricted Subsidiary;

(ii) Investments by a Parent Guarantor or any Restricted Subsidiary in the Company;

(iii) Investments in cash and Cash Equivalents;

(iv) Investments in existence on the Issue Date;

(v) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);

(vi) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;

(vii) Investments made by a Parent Guarantor, the Company or the Restricted Subsidiaries as a result of non-cash consideration received in connection with an Asset Sale;

(viii) Investments in the form of Hedging Obligations;

(ix) receivables owing to a Parent Guarantor, the Company or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided* that such trade terms may include such concessionary trade terms as such Parent Guarantor, the Company or any such Restricted Subsidiary deems reasonable under the circumstances and that are consistent with industry practice;

(x) guarantees of Indebtedness of Wamos permitted in accordance with Section 4.08(b)(13) or any payment in respect thereof;

(xi) any Investment acquired solely in exchange for Qualified Capital Stock of the Ultimate Parent;

(xii) [Reserved];

(xiii) payroll, travel, moving and other loans or advances to, or guarantees issued to support the obligations of, officers and employees, in each case in the ordinary course of business;

(xiv) extensions of credit and prepayment of expenses to customers, suppliers, utility providers, licensees, franchisees and other trade creditors in the ordinary course of business consistent with past practice;

(xv) any Investment in any Restricted Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business consistent with past practice;

(xvi) Investments in the nature of deposits with respect to leases provided to third parties in the ordinary course of business;

(xvii) Investments in negotiable instruments received in the ordinary course and held for collection;

(xviii) Strategic Investments and Asset Acquisitions by a Parent Guarantor, the Company or any of the Restricted Subsidiaries, to the extent the consideration therefor consists of Equity Consideration; and

(xix) Strategic Investments and Asset Acquisitions by a Parent Guarantor, the Company or any of the Restricted Subsidiaries in an aggregate amount not to exceed U.S.$175,000,000 outstanding at any one time (with the Fair Market Value of each such Investment being measured

at the time made and without giving effect to subsequent changes in value), to the extent the consideration therefor is payable in cash or Cash Equivalents.

"**Permitted Liens**" means any of the following Liens:

(i) Liens existing on the Issue Date (other than pre-existing Liens on the Stub Notes, which Liens shall be deemed incurred pursuant to clause (xix) and not under this clause (i)) and any extension, renewal or replacement thereof (provided, for the avoidance of doubt, that upon the issuance of the Exchange Notes and the Refinancing Notes, any Liens securing the Exchange Notes and Refinancing Notes on the Issue Date shall be deemed incurred pursuant to clause (xix) and not under this clause (i));

(ii) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by IFRS shall have been made in respect thereof;

(iii) (a) licenses, sublicenses, leases or subleases granted by the Parent Guarantors, the Company or any of the Restricted Subsidiaries to other Persons not materially interfering with the conduct of the business of the Parent Guarantors, the Company or any of the Restricted Subsidiaries and (b) any interest or title of a lessor, sublessor or licensor under any lease or license agreement permitted by the Indenture to which the Parent Guarantors, the Company or any Restricted Subsidiary is a party;

(iv) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, customs duties, bids, leases, government performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(v) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(vi) Liens on patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to the extent such Liens arise from the granting of license to use such patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to any Person in the ordinary course of business of the Parent Guarantors, the Company or any of the Restricted Subsidiaries;

(vii) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(viii) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Parent Guarantors, the Company or a Restricted Subsidiary, including rights of offset and set-off;

(ix) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings, provided that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(x) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(xi) deposits in the ordinary course of business securing liability for reimbursement obligations of insurance carriers providing insurance to the Parent Guarantors, the Company or the Restricted Subsidiaries and any Liens thereon;

(xii) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired;

(xiii) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution;

(xiv) Liens securing Hedging Obligations;

(xv) Liens to secure any Permitted Refinancing Indebtedness incurred in accordance with Section 4.08 if the applicable Refinanced Indebtedness has been secured by a Lien permitted under the covenant described under Section 4.21 and was not incurred pursuant to clause (xx); *provided* that such new Liens:

(A) are no less favorable to the Holders of Notes and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced; and

(B) do not extend to any property or assets other than the property or assets securing the applicable Refinanced Indebtedness;

(xvi) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to a Parent Guarantor, the Company or any Restricted Subsidiary; *provided* that any such Liens that constitute an Investment shall be permitted pursuant to Section 4.19;

(xvii) Liens securing Acquired Indebtedness incurred in accordance with Section 4.08 not incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation; *provided* that

(A) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by a Parent Guarantor, the Company or a Restricted Subsidiary and were not granted in connection with, or in anticipation of the incurrence of such Acquired Indebtedness by a Parent Guarantor, the Company or a Restricted Subsidiary; and

(B) such Liens do not extend to or cover any property of a Parent Guarantor, the Company or any Restricted Subsidiary other than the property that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of a Parent Guarantor, the Company or a Restricted Subsidiary and are no more favorable to the lienholders than the Liens securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by a Parent Guarantor, the Company or a Restricted Subsidiary;

(xviii) purchase money Liens securing Purchase Money Indebtedness or Finance Lease Obligations incurred to finance the acquisition or leasing of property of a Parent Guarantor, the Company or a Restricted Subsidiary; *provided* that:

(A) the related Purchase Money Indebtedness does not exceed the cost of such property and will not be secured by any property of any Parent Guarantor, the Company or any Restricted Subsidiary other than the property so acquired; and

(B) the Lien securing such Indebtedness will be created within 180 days of such acquisition;

(xix) Liens on the Collateral (or any portion thereof), securing obligations under (i) the Stub Notes and/or the Stub Notes Guarantees (excluding any additional Stub Notes); (ii) the Exchange Notes (excluding any Additional Exchange Notes) and/or the Exchange Notes Guarantees; and/or (iii) the Refinancing Notes (excluding any additional Refinancing Notes) and/or the Refinancing Notes Guarantees as of the Issue Date, and, in each case, any obligations owing to the respective trustee and/or collateral trustee under the indenture, collateral documents and/or intercreditor agreements governing the applicable series of debt securities;

(xx) Liens on the Collateral (or any portion thereof), securing Permitted Refinancing Indebtedness with respect to the Exchange Notes, Stub Notes and/or Refinancing Notes (including, without limitation, in the form of Additional Exchange Notes and/or additional Refinancing Notes) or other Indebtedness satisfying the requirements of the definition of Permitted Refinancing Indebtedness after any voluntary refunding, replacement, redemption, repurchase, defeasance, acquisition, repayment, prepayment, retirement or extinguishment of any Exchange Notes, Stub Notes and/or Refinancing Notes;

(xxi) Liens securing the RCF Loan Agreement, the USAVflow Facility, the Taca Credit Card Securitization Facility and any successor facilities thereto secured by assets consisting of

spare parts, engines, credit card receivables and any other assets of the type securing or required to secure the RCF Loan Agreement, the USAVflow Facility and the Taca Credit Card Securitization Facility on the Issue Date, securing an amount of Indebtedness outstanding at any one time (together with any Sale and Leaseback Transaction) not to exceed U.S.$635,000,000 (or the equivalent in other currencies);

(xxii) Liens in respect of non-aircraft lease liabilities, real property, information technology and any other non-aircraft assets of the type securing Indebtedness incurred under Sections 4.08(b)(1) through (15) on the Issue Date (other than in connection with any capital expenditures incurred for purposes of aircraft reconfiguration or any Aircraft Indebtedness) in an amount outstanding at any one time (together with any Sale and Leaseback Transaction) not to exceed U.S.$90,000,000 (or the equivalent in other currencies);

(xxiii) Liens ranking junior to the Liens under the Collateral Trust Agreement securing Qualified Junior Indebtedness in an amount of Qualified Junior Indebtedness outstanding at any one time (together with any Sale and Leaseback Transaction) not to exceed the sum of (a) U.S.$125,000,000 (or the equivalent in other currencies) and (b) an amount equal to (i) any amounts repaid or redeemed in respect of the Exchange Notes, Stub Notes or Refinancing Notes or Indebtedness under Additional Secured Debt Facilities after the Issue Date (other than from in connection with any mandatory refunding, replacement, redemption, repurchase, defeasance, acquisition, repayment, prepayment, retirement or extinguishment) less (ii) the amount of any Indebtedness incurred after the Issue Date secured by Liens pursuant to clause (xx) above;

(xxiv) Liens on aircraft, spare parts and engines securing Aircraft Indebtedness;

(xxv) Liens on Capital Stock of any Unrestricted Subsidiary securing any obligations of such Unrestricted Subsidiary (but not any obligations of a Parent Guarantor, the Issuer or any Restricted Subsidiary); and

(xxvi) Liens securing Indebtedness in an aggregate principal amount outstanding at any one time not to exceed $150,000,000.

For purposes of determining compliance with Section 4.21, in the event that a Lien may be incurred pursuant to the criteria of more than one of the categories of Permitted Liens described in this definition, the Issuer shall, in its sole discretion, classify such Lien and may divide and/or classify such Lien in more than one of the categories of Permitted Liens described in this definition and may later divide and/or reclassify any Lien described in more than one of the categories of Permitted Liens described in this definition; *provided* that at the time of reclassification, such Lien meets the criteria in such category or categories; and *provided further* that Liens securing the Stub Notes, the Exchange Notes and the Refinancing Notes shall be deemed incurred pursuant to clause (xix) of this definition and may not be reclassified.

"**Permitted Refinancing Indebtedness**" means with respect to any Indebtedness (the "**Refinanced Indebtedness**"), the incurrence of any Indebtedness in exchange for or as a replacement of, or the net proceeds of which are to be used for the purpose of any refinancing, refunding, replacing, redeeming, repurchasing, defeasing, acquiring, repaying, prepaying, retiring or extinguishing such Indebtedness (collectively, to "**Refinance**" or a **"Refinancing**" or

"**Refinanced**"); *provided* that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Refinanced Indebtedness except by an amount equal to unpaid accrued interest thereon plus defeasance costs, other amounts paid, and fees, commissions and expenses (including upfront fees or similar fees, original issue discount or initial yield payments) incurred, in connection with such Refinancing, (b) the Indebtedness resulting from such Refinancing has a final maturity date equal to or later than the earlier of the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being Refinanced, (c) if the Refinanced Indebtedness is subordinated in right of payment to the Exchange Notes, Indebtedness resulting from such Refinancing is subordinated in right of payment to the Exchange Notes on terms at least as favorable to the Lenders as those contained in the documentation governing the Refinanced Indebtedness, (d) the Indebtedness resulting from such Refinancing shall not provide for a mandatory prepayment, sinking funds or similar terms that are more onerous to the applicable Parent Guarantor, the Issuer or applicable Restricted Subsidiary than the terms of the Refinanced Indebtedness, and (e) no Restricted Subsidiary that is not the Issuer or a Guarantor shall be an obligor with respect to such Permitted Refinancing Indebtedness. It is further understood and agreed that a Permitted Refinancing Indebtedness includes (a) successive incurrence of Permitted Refinancing Indebtedness of the same initial Indebtedness. and (b) any refinancing of any aircraft, engines or spare parts lease or debt obligations of a Parent Guarantor, the Company or any of the Restricted Subsidiaries.

"**Permitted Reorganization**" means a reorganization (including, without limitation, pursuant to a solvent winding-up where the assets of the relevant company are distributed to its shareholders, as well as any solvent amalgamation, demerger, merger, dissolution, consolidation or other corporate reconstruction) involving the business or assets of, or shares of (or other interests in), the Ultimate Parent, any other Parent Guarantor, the Issuer and/or any Restricted Subsidiary (other than the Issuer if it will not be the surviving entity of that transaction) where:

(a) if relevant, all of the business, assets and shares of (or other interests in) the Ultimate Parent or the applicable Restricted Subsidiaries are owned directly or indirectly by the Ultimate Parent or the Issuer in the same or a greater percentage as prior to such reorganization (and in the case of the Ultimate Parent or if the applicable Restricted Subsidiary was a Guarantor immediately prior to such reorganization being implemented, all of the business and assets of the Ultimate Parent or such Restricted Subsidiary, as applicable, are retained by one or more other Guarantors), other than:

(i) the shares of (or other interests in) the Ultimate Parent or the Restricted Subsidiary which has been merged into the Ultimate Parent or another Restricted Subsidiary or which has otherwise ceased to exist (including, without limitation, by way of the collapse of a solvent partnership or a dissolution or solvent winding up of an entity) as a result of such a reorganization; or

(ii) any business, assets and/or shares of (or other interests in) the Ultimate Parent or such Restricted Subsidiary which cease to be owned:

(A) as a result of a disposal, merger or other step permitted under the terms of this Indenture; or

(B) as a result of a cessation of business, dissolution or solvent winding-up of the Ultimate Parent or a Restricted Subsidiary involving a transfer or distribution of all or substantially all of its assets to its immediate shareholders or other persons directly holding partnership or other ownership interests in it or otherwise to another Restricted Subsidiary; and

(b) the Secured Parties will continue to have the same or substantially equivalent (ignoring for these purposes hardening periods and other than from any entity which has ceased to exist as contemplated in clause (a) above) guarantees and security over the same or substantially equivalent assets and over the shares (or other interests) in the transferee or the entity surviving as a result of such reorganization save to the extent such assets or shares (or other interests) cease to exist or to be owned as contemplated in paragraphs (i) or (ii) above, in each case to the extent such assets, shares or other interests are not disposed of as permitted under the terms of this Indenture,

provided that (1) where such reorganization involves merging a Guarantor with another entity, the surviving entity expressly assumes, by a supplemental indenture to this Indenture and supplements to the Collateral Documents, executed and delivered to the Trustee and the applicable Collateral Trustee, all obligations of such Guarantor under the Exchange Notes, the Exchange Note Guarantees, this Indenture and the Collateral Documents, as applicable and (2) the implementation of such reorganization does not have and is not reasonably expected to have a Material Adverse Effect.

"**Person**" means any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, association, company, estate, unincorporated organization, Airport Authority or Governmental Authority or any agency or political subdivision thereof.

"**Preferred Stock**" means, with respect to any Person, any and all preferred or preference stock or other similar Capital Stock (however designated) of such Person whether outstanding or issued after the date of this Indenture.

"**principal**" of an Exchange Note means the principal amount of such Exchange Note.

"**Principal Paying Agent**" means Wilmington Savings Fund Society, FSB, until a successor Principal Paying Agent shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter, "Principal Paying Agent" shall mean such successor Principal Paying Agent.

"**Proceeding**" has the meaning specified in Section 11.09.

"**Process Agent**" has the meaning specified in Section 11.09.

"**Purchase Money Indebtedness**" means Indebtedness incurred for the purpose of financing all or any part of the purchase price, or other cost of construction or improvement of any property; *provided* that the aggregate principal amount of such Indebtedness does not exceed such purchase price or cost, including any refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of the refinancing.

"**Qualified Capital Stock**" means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

"**Qualified Junior Indebtedness**" means any Indebtedness that (i) ranks junior in right of payment to the Exchange Notes, (ii) has a Stated Maturity no earlier than 91 days after the Stated Maturity of the Exchange Notes and shall have a Weighted Average Life to Maturity no earlier than the Exchange Notes and (iii) may be subject to a 'silent' junior Lien on the Collateral in accordance with the terms of an intercreditor agreement governing such Lien, which intercreditor agreement shall be in form and substance acceptable to the Required Holders; *provided* that any intercreditor agreement in a form that has been agreed upon by the Issuer and the Required Holders pursuant to Section 4.13 shall satisfy such requirement.

"**Rating Agency**" means S&P, Moody's or Fitch; or if S&P, Moody's or Fitch are not making a rating of the Exchange Notes publicly available, an internationally recognized U.S. rating agency or agencies, as the case may be, selected by the Company, which will be substituted for S&P, Moody's or Fitch, as the case may be.

"**Rating Decline**" means that at any time within 90 days (which period shall be extended so long as the rating of the Exchange Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) after the date of public notice of a Change of Control, or of the Ultimate Parent's, the Company's or that of any Person's intention to effect a Change of Control, the then-applicable rating of the Exchange Notes is decreased by any of the Rating Agencies.

"**RCF Loan Agreement**" shall mean that certain credit and guaranty agreement dated as of November 26, 2024 by and among Aerovías del Continente Americano S.A. Avianca, acting through its Florida branch, Aerovías del Continente Americano S.A. Avianca Corp., as borrower, Avianca Group International Limited, as guarantor, Citibank, N.A., as administrative agent and collateral agent, the additional subsidiary guarantors named therein, and the lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time).

"**Real Property**" means, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned in fee or leased, subleased or licensed by the Issuer or any Guarantor, together with, in each case, all easements, hereditaments and appurtenances relating thereto, and all improvements and appurtenant fixtures incidental to the ownership, lease, sublease or license thereof.

"**Record Date**" means, when used with respect to the interest on the Exchange Notes payable on any Interest Payment Date, the fifth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date.

"**Redemption Date**" means, when used with respect to any Exchange Note to be redeemed pursuant to Section 3.01, the date fixed for such redemption by or pursuant to this Indenture.

"**Redemption Price**" means, when used with respect to any Exchange Notes to be redeemed pursuant to Section 3.01, the price at which it is to be redeemed pursuant to this Indenture.

"**Refinance**", **"Refinancing**", "**Refinanced**" and "**Refinanced Indebtedness**" shall have the meanings specified in the definition of "Permitted Refinancing Indebtedness".

"**Refinancing Notes**" means the Company's % Senior Secured Notes due 20 , issued pursuant to an Indenture (the "**Refinancing Notes Indenture**"), dated as of the Issue Date, among the Company, the Ultimate Parent, the other Guarantors party thereto, the trustee and collateral trustee named therein.

"**Refinancing Notes Guarantee**" means the guarantee of the Refinancing Notes by a guarantor pursuant to the Refinancing Notes Indenture.

"**Registrar**" means Wilmington Savings Fund Society, FSB, until a successor Registrar shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter, "Registrar" shall mean such successor Registrar.

"**Regulation S**" means Regulation S under the Securities Act, as in effect from time to time.

"**Regulation S Global Note**" means a Regulation S Temporary Global Note or Regulation S Permanent Global Note, as appropriate.

"**Regulation S Permanent Global Note**" means a permanent Global Note in the form of Exhibit A hereto bearing the Global Note Legend and the Securities Act Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the Restricted Period.

"**Regulation S Temporary Global Note**" means a temporary Global Note in the form of Exhibit A hereto bearing the Global Note Legend, the Securities Act Legend and the Regulation S Temporary Global Note Legend deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Exchange Notes initially sold in reliance on Rule 903.

"**Regulation S Temporary Global Note Legend**" means the following legend, printed in capital letters:

> "THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR DEFINITIVE NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN).

PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), UNLESS SUCH TRANSACTION IS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT."

"**Relevant Date**" means, with respect to any payment on an Exchange Note, whichever is the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which notice is given to the Holders that the full amount has been received by the Trustee.

"**Required Holders**" means, at any time, Holders of not less than a majority in principal amount of the Exchange Notes Outstanding at such time.

"**Responsible Officer**" means any officer of the Trustee or any Collateral Trustee or any other Agent in Corporate Trust Administration with direct responsibility for the administration of this Indenture and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"**Restricted Global Note**" means one or more permanent Global Notes in definitive fully registered form without interest coupons sold to "qualified institutional buyers" (as such term is defined in Rule 144A) pursuant to Rule 144A.

"**Restricted Period**" means the relevant 40-day distribution compliance period as defined in Regulation S.

"**Restricted Subsidiary**" means, at any time, any direct or indirect Subsidiary of the Ultimate Parent that is not then an Unrestricted Subsidiary; *provided*, *however*, that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary" if it is a Subsidiary thereafter.

"**Route Authority Assets**" shall mean, at any time, the Slots, Gates and Routes of the Issuer or any Guarantor at such time, but excluding any Excluded Assets.

"**Routes**" shall mean the authority of the Issuer or any Guarantor pursuant to Title 49 or other applicable law, to operate scheduled service between a specifically designated pair of terminal points and intermediate points, if any, including applicable frequencies, exemption and certificate authorities, and "Route" shall mean any of such route authorities as the context requires, in each case whether or not such route authority is utilized at such time by the Issuer or a Guarantor and including, without limitation, any other route authority held by the Issuer or a Guarantor pursuant to certificates, orders, notices and approvals issued to the Issuer or a Guarantor from time to time, but in each case solely to the extent relating to such route authority.

"**Rule 144A**" means Rule 144A under the Securities Act, as in effect from time to time.

"**S&P**" means S&P Global Ratings, a division of S&P Global Inc., and its successors.

"**Sale and Leaseback Transaction**" means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to a Parent Guarantor, the Company or a Restricted Subsidiary of any property, whether owned by a Parent Guarantor, the Company or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by a Parent Guarantor, the Company or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such Property; *provided*, for the avoidance of doubt, that any refinancing of any existing Indebtedness via a sale and leaseback transaction shall not be deemed to constitute a Sale and Leaseback Transaction, but shall continue to be subject to any limitations otherwise applicable to such Indebtedness.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Secured Parties**" has the meaning specified in the applicable Collateral Trust Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securities Act Legend**" means the following legend, printed in capital letters:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) [IN THE CASE OF RULE 144A NOTES: AND ON WHICH THE ISSUER INSTRUCTS THE TRUSTEE THAT THIS LEGEND SHALL BE DEEMED REMOVED FROM THE EXCHANGE NOTES, IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THE INDENTURE RELATING TO THIS SECURITY], ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT

PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF U.S.$250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. [IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.]"

"**Security Principles**" has the meaning specified in the Collateral Trust Agreements.

"**Seller's Cost**" means, with respect to any assets or equity which are the subject of a transaction with a Parent Guarantor, the Issuer or any Restricted Subsidiary and were acquired by the seller no more than 18 months prior to the transaction with such Parent Guarantor, the Issuer or Restricted Subsidiary, the seller's cost basis, including investment or acquisition consideration paid in the form of cash, stock or other assets, attorneys' fees, investment banker fees, and broker fees, plus a rate of return equal to 14.5% on the seller's costs basis from the date of the seller's original investment or acquisition.

"**Significant Subsidiary**" means any Restricted Subsidiary of the Ultimate Parent, which at the time of determination (a) had assets which, as of the date of the Ultimate Parent's most recent quarterly consolidated balance sheet, constituted at least 10% of the Ultimate Parent's total assets on a consolidated basis as of such date, or (b) had revenues for the 12- month period ending on the date of the Ultimate Parent's most recent quarterly consolidated statement of income which constituted at least 10% of the Ultimate Parent's total revenues on a consolidated basis for such period or (c) owns, directly or indirectly, Capital Stock of any other Significant Subsidiary.

"**Slot**" shall mean, at any date of determination, the right and operational authority to conduct one landing or take-off operation at a specific time or during a specific time period at an

airport and including, without limitation, slots, arrival authorizations and operating authorizations, whether pursuant to FAA or DOT regulations or orders pursuant to Title 14, Title 49 or other federal or foreign statutes or regulations now or hereinafter in effect.

"**Specified Acquisition Entity**" means any entity that is (x) acquired by the Ultimate Parent or any of its Subsidiaries after the Issue Date (whether such entity becomes wholly or less than 100% owned by the Ultimate Parent or any of its Subsidiaries) or (y) another commercial airline (including any business lines or divisions thereof) with which the Ultimate Parent or such a Subsidiary of the Ultimate Parent merges or enters into an acquisition transaction with.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the Holder thereof upon the happening of any contingency unless such contingency has occurred).

"**Strategic Investment**" means an Investment in any Person (other than an Unrestricted Subsidiary) whose primary business is reasonably related, ancillary or complementary to the business of the type in which the Parent Guarantors, the Issuer and the Restricted Subsidiaries are engaged in as of the Issue Date, and such Investment is reasonably and in good faith determined by an Officer of the Issuer to promote or significantly benefit the operational businesses of the Parent Guarantors, the Issuer and the Restricted Subsidiaries on the date of such Investment, as evidenced by an Officers' Certificate delivered to the Trustee.

"**Stub Notes**" means the Company's 9.000% Tranche A-1 Senior Secured Notes due 2028, issued pursuant to an Indenture (as the same is amended and modified by the amendments described in the Exchange Offer memorandum, and as otherwise amended, supplemented or modified from time to time, the "**Stub Notes Indenture**"), dated as of December 1, 2021, among the Company, the Ultimate Parent, the other Guarantors party thereto, the trustee and collateral trustee named therein, which were not exchanged in the Exchange Offer and are outstanding on the Issue Date.

"**Stub Notes Guarantee**" means the guarantee of the Stub Notes by a guarantor pursuant to the Stub Notes Indenture.

"**Subordinated Indebtedness**" means, with respect to the Parent Guarantors, the Company or any Restricted Subsidiary, any Indebtedness of the Parent Guarantors, the Company or such Restricted Subsidiary, as the case may be, which is expressly subordinated in right of payment to the Exchange Notes or the relevant Exchange Note Guarantee, as the case may be.

"**Subsidiary**" means, in respect of any specified Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person. Unless specified otherwise, any reference to a "Subsidiary" shall be deemed to be a reference to a Subsidiary of the Ultimate Parent.

"**Taca Credit Card Securitization Facility**" means that certain Credit and Guaranty Agreement, dated March 4, 2022, by and among Taca Credit Card Flow Limited, as borrower, Banco de Bogotá S.A., as administrative agent, and the other lenders party thereto from time to time (as amended, restated, supplemented or otherwise modified from time to time).

"**Taxing Jurisdiction**" has the meaning specified in Section 4.05.

"**Title 49**" means Title 49 of the U.S. Code, which, among other things, recodified and replaced the U.S. Federal Aviation Act of 1958, and the rules and regulations promulgated pursuant thereto, and any subsequent legislation that amends, supplements or supersedes such provisions.

"**Transfer Agent**" means Wilmington Savings Fund Society, FSB and any other Person authorized by the Company to effectuate the exchange or transfer of any Exchange Note on behalf of the Company hereunder.

"**Trust Mandate**" means (i) the Collateral Trust Agreement and (ii) any other agreement, as may be amended from time to time, among the Issuer, the Trustee, and a collateral agent, to appoint such party as a Collateral Trustee.

"**Trustee**" means Wilmington Savings Fund Society, FSB, as trustee, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture and, thereafter, "Trustee" shall mean such successor Trustee.

"**U.S. Dollars**" and "**U.S.$**" each mean the currency of the United States.

"**U.S. Government Obligations**" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States is pledged and which are not callable at the issuer's option.

"**Ultimate Parent**" means Avianca Group International Limited, a private limited company incorporated under the laws of England and Wales, and any successor thereto resulting from a transaction permitted under Article 5.

"**United**" means United Airlines, Inc.

"**United States**" and "**U.S.**" means the United States of America (including the States and the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction.

"**Unrestricted Subsidiary**" means any Subsidiary (1) of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the board of directors of the Parent Guarantor, as provided in Section 4.20) and (2) of an Unrestricted Subsidiary. The Ultimate Parent may designate any Subsidiary of the Issuer (including any existing Subsidiary of the Issuer and any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, a Parent Guarantor or any Subsidiary of a Parent

Guarantor (other than any Subsidiary of the Subsidiary to be so designated); *provided* that (a) any Unrestricted Subsidiary must be a Person of which shares of the Capital Stock (including partnership interests) entitled to cast at least a majority of the votes that may be cast by all Capital Stock having ordinary voting power for the election of directors or other governing body are owned, directly or indirectly, by the Issuer; (b) either (I) the Subsidiary to be so designated has total assets of $1,000 or less or (II) if such Subsidiary has assets greater than $1,000, such designation would be permitted under Section 4.20; and (c) each of (I) the Subsidiary to be so designated and (II) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender with respect to such Indebtedness has recourse to any of the assets of a Parent Guarantor, the Issuer or any Restricted Subsidiary; *provided*, *further*, that (x) as of the Issue Date the only Unrestricted Subsidiaries shall be Avianca Enterprises LLC and Wamos and (y) LifeMiles and any other Subsidiary that operates a Loyalty Program may not be designated as an Unrestricted Subsidiary.

"**USAVflow Facility**" means that certain Loan Agreement, dated as of September 10, 2024, by and among USAVflow II Limited, as borrower, the Ultimate parent and Avianca Costa Rica S.A., as guarantors, the lenders party thereto, and Deutsche Bank Trust Company Americas, as administrative agent and collateral agent (as may be amended or supplemented from time to time).

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"**Wamos**" means any of WAV Air Holdings S.L., Wamos Air, S.A. and any of their respective Subsidiaries.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

Section 1.02 *Rules of Construction*.

(a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) the words "herein," "hereof and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(3) "or" is not exclusive; and

(4) "including" means including, without limitation;

(5) any reference to an "Article," a "Section" or an "Exhibit" refers to an Article, a Section or an Exhibit, as the case may be, of this Indenture.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with IFRS.

Section 1.03 *Table of Contents; Headings.* The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 1.04 *Form of Documents Delivered to Trustee.* In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate of an Officer of the Company may be based, insofar as it relates to legal matters, upon an opinion of, or representations by, counsel, unless such Officer knows, or in the exercise of reasonable care should know, that the opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate of, or representations by, an Officer or Officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.05 *Acts of Holders*.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Issuer and the Guarantors. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of an Exchange Note, shall be sufficient for any purpose of this Indenture and

(subject to Section 7.01) conclusive in favor of the Trustee, the Company and the Guarantors, if made in the manner provided in this Section 1.05.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved (1) by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or (2) in any other manner deemed reasonably sufficient by the Trustee. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The authority of the Person executing the same may also be proved in any other manner deemed reasonably sufficient by the Trustee.

(c) The ownership of Exchange Notes shall be proved by the register of the Registrar.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Exchange Note shall bind every future Holder of the same Exchange Note and the Holder of every Exchange Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee, the Issuer or the Guarantors in reliance thereon, whether or not notation of such action is made upon such Exchange Note.

(e) The Company may set a record date for purposes of determining the identity of Holders entitled to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, or to vote on any action authorized or permitted to be taken by Holders; *provided* that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in clause (f) below. Unless otherwise specified, if not set by the Company prior to the first solicitation of a Holder made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, any such record date shall be the later of 30 days prior to the first solicitation of such consent or vote or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation or vote. If any record date is set pursuant to this clause (e), the Holders on such record date, and only such Holders, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action (including revocation of any action), whether or not such Holders remain Holders after such record date; *provided* that no such action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Exchange Notes, or each affected Holder, as applicable, on such record date. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing and to each Holder in the manner set forth in Section 11.02.

(f) The Trustee may set any day as a record date for the purpose of determining the Holders entitled to join in the giving or making of (1) any notice of default under Section 6.01, (2) any declaration of acceleration referred to in Section 6.02 or (3) any direction pursuant to

Section 6.07, Section 6.12 or Section 6.13. If any record date is set pursuant to this clause (f), the Holders on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; *provided* that no such action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Exchange Notes or each affected Holder, as applicable, on such record date. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company and to each Holder in the manner set forth in Section 11.02.

(g) Without limiting the foregoing, a Holder entitled to take any action hereunder with regard to any particular Exchange Note may do so with regard to all or any part of the principal amount of such Exchange Note or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(h) Without limiting the generality of the foregoing, a Holder, including a Depositary that is the Holder of a Global Note, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and a Depositary that is the Holder of a Global Note may provide its proxy or proxies to the beneficial owners of interests in any such Global Note through such Depositary's standing instructions and customary practices.

(i) The Company may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Note held by a Depositary entitled under the procedures of such Depositary, if any, to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders; *provided* that if such a record date is fixed, only the beneficial owners of interests in such Global Note on such record date or their duly appointed proxy or proxies shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such beneficial owners remain beneficial owners of interests in such Global Note after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date.

(j) With respect to any record date set pursuant to this Section 1.05, the party hereto that sets such record date may designate any day as the "**Expiration Date**" and from time to time may change the Expiration Date to any earlier or later day; *provided* that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of Exchange Notes in the manner set forth in Section 11.02, on or prior to both the existing and the new Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section 1.05, the party hereto which set such record date shall be deemed to have initially designated the 90th day after such record date as the

Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this clause (j).

ARTICLE 2
THE EXCHANGE NOTES

Section 2.01 *Form and Dating.* The Exchange Notes and the Trustee's certificate of authentication shall be substantially in the form of Exchange Note set forth in Exhibit A, which is hereby incorporated in and expressly made a part of this Indenture. The Exchange Notes may have such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such notations, legends or endorsements as may be required to comply with any law, stock exchange rule, agreement to which the Company is subject, if any, or usage, *provided* that any such notation, legend or endorsement is in a form acceptable to the Company. If required for U.S. federal income tax purposes, each Exchange Note shall bear an Original Issue Discount Legend.

The Exchange Notes shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any stock exchange on which the Exchange Notes may be listed, if any, all as determined by the Officers executing such Exchange Notes, as evidenced by their execution of such Exchange Notes.

Section 2.02 *Execution, Authentication and Delivery*.

(a) An Officer of the Issuer shall sign the Exchange Notes for the Issuer by manual, PDF or facsimile signature.

(1) If an Officer whose signature is on an Exchange Note no longer holds that office at the time the Trustee authenticates the Exchange Note, the Exchange Note shall be valid nevertheless.

(2) An Exchange Note shall not be valid until an authorized signatory of the Trustee or an authenticating agent manually signs the certificate of authentication on the Exchange Note upon Company Order. Such signature shall be conclusive evidence that the Exchange Note has been authenticated under this Indenture. Such Company Order shall specify the amount of the Exchange Notes to be authenticated and the date on which the original issue of Exchange Notes is to be authenticated.

(3) On the Issue Date, the Trustee or an Authenticating Agent shall authenticate and deliver the Initial Exchange Notes and, at any time and from time to time thereafter, any Additional Exchange Notes for original issue as set forth in Section 2.14, in each case upon a Company Order.

(4) The Exchange Notes shall be issued in fully registered form without coupons attached in minimum denominations of U.S.$1,000 and integral multiples of U.S.$1.00 in excess thereof (each, an "**Authorized Denomination**").

(b) The Trustee may appoint an authenticating agent, with a copy of such appointment to the Company, to authenticate the Exchange Notes (the "**Authenticating Agent**"). Unless limited by the terms of such appointment, an Authenticating Agent may authenticate Exchange Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by an Authenticating Agent. An Authenticating Agent has the same rights as the Registrar or any Transfer Agent or Paying Agent or agent for service of notices and demands.

Section 2.03 *Transfer Agent, Registrar and Paying Agent.* The Issuer shall maintain an office or agency where Exchange Notes may be presented for registration of transfer or for exchange (the "**Registrar**") and an office or agency where Exchange Notes may be presented for payment. The Registrar shall keep a register of the Exchange Notes and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents, or transfer agents. The term "Paying Agent" includes any additional paying agent. The term "Registrar" includes any additional Registrar or co-registrar. The Issuer shall maintain a Paying Agent and Transfer Agent with offices in the United States.

(a) [Reserved].

(b) The Issuer shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture, which shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of any such agent. If the Issuer fails to maintain a Registrar, Paying Agent or Transfer Agent, in the United States, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.06. The Company or any Restricted Subsidiary may act as Paying Agent, Registrar, co-registrar or Transfer Agent. The Company initially appoints Wilmington Savings Fund Society, FSB as Registrar, Paying Agent and Transfer Agent in connection with this Indenture and the Exchange Notes.

Section 2.04 *Paying Agent to Hold Money in Trust.* By 3:00 P.M. New York time no later than one Business Day prior to each Payment Date on any Exchange Note, the Issuer shall deposit with the Principal Paying Agent in immediately available funds a sum sufficient to pay such principal and interest when so becoming due (including any Additional Amounts). The Issuer shall request that the bank through which such payment is to be made agree to supply to the Principal Paying Agent by 10:00 A.M. (New York time) two Business Days prior to the due date from any such payment an confirmation (by facsimile) of its intention to make such payment. The Issuer shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust, for the benefit of Holders or the Trustee, all money held by such Paying Agent for the payment of principal and interest on the Exchange Notes and shall notify the Trustee of any default by the Issuer in making any such payment. The Issuer at any time may require a Paying Agent to pay all money held by it to the Principal Paying Agent and to account for any funds disbursed by it. Upon complying with this Section 2.04, the Paying Agent shall have no further liability for the money delivered to the Trustee.

Each payment in full of principal, redemption amount, Additional Amounts or interest payable under the Exchange Notes and this Indenture in respect of any Exchange Note made by or on behalf of the Issuer or a Guarantor to or to the order of the Trustee in the manner specified

herein or in the Exchange Notes on the date due shall be valid and effective to satisfy and discharge the obligation of the Issuer or such Guarantor, as the case may be, to make payment of principal, redemption amount, Additional Amounts or interest payable hereunder and under the Exchange Notes on such date, *provided*, *however*, that the liability of the Trustee hereunder shall not exceed any amounts paid to it by the Company or such Guarantor, as the case may be, or held by it, on behalf of the Holders hereunder.

Section 2.05 *Holder Lists.* The Trustee shall preserve in as current a form as is reasonably practicable, the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee in writing, at least ten Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders and the Trustee shall be permitted to fully rely with no liability therefor on the most recent list so provided.

Section 2.06 *Transfer and Exchange*.

(a) Interests in the Regulation S Global Note and the Restricted Global Note shall be exchangeable or transferable, as the case may be, for physical delivery of definitive certificated Exchange Notes ("**Certificated Notes**") if (i) DTC notifies the Company that it is unwilling or unable to continue as depositary for such Global Note, or DTC ceases to be a "clearing agency" registered under the Exchange Act, and a successor depositary is not appointed by the Company within 90 days, or (ii) an Event of Default has occurred and is continuing with respect to such Exchange Notes and a Holder has so requested in writing, *provided* that such transfer or exchange is made in accordance with the provisions of this Indenture and the Applicable Procedures and *provided further* that in no event shall the Regulation S Temporary Global Note be exchanged for Certificated Notes prior to (i) the expiration of the Restricted Period and (ii) the receipt by the Registrar of any certificates required under the provisions of Regulation S.

Upon receipt of notice by DTC or the Trustee, as the case may be, regarding the occurrence of any of the events described in the preceding paragraph, the Company shall use its best efforts to make arrangements with DTC for the exchange of interests in the Global Notes for individual Certificated Notes, and cause the requested individual Certificated Notes to be executed and delivered to the Trustee in sufficient quantities and authenticated by the Trustee for delivery to Holders. In the case of Certificated Notes issued in exchange for the Restricted Global Note, such Certificated Notes shall bear the Securities Act Legend. Upon the registration of transfer, exchange or replacement of Exchange Notes bearing such Securities Act Legend, or upon specific request for removal of the Securities Act Legend on an Exchange Note, the Company shall deliver only Exchange Notes that bear such Securities Act Legend, or shall refuse to remove such Securities Act Legend, as the case may be, unless there is delivered to the Company a certificate in the form of Exhibit D or Exhibit F, as the case may be, or such satisfactory evidence as may reasonably be required by the Company, which may include an Opinion of Counsel, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act. The Trustee shall exchange an Exchange Note bearing the Securities Act Legend for an Exchange Note not bearing such Securities Act Legend only if it has been directed to do so in writing by the Company, upon which direction it may conclusively rely with no liability therefor.

(b) On or prior to the 40th day after the Issue Date, transfers by a DTC participant which is an owner of a beneficial interest in the Regulation S Global Note to a transferee who takes delivery of such interest through the Restricted Global Note shall be made only in Authorized Denominations in accordance with the Applicable Procedures and upon receipt by the Trustee or Transfer Agent of a written certification from the transferor of the beneficial interest in the form of Exhibit E to the effect that such transfer is being made to a Person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After such 40th day, such certification requirement shall no longer apply to such transfers.

(c) Transfers by a Holder of a Certificated Note bearing the Securities Act Legend or by a DTC participant of a beneficial interest in the Restricted Global Note to a transferee who takes delivery of such interest through the Regulation S Global Note or in the form of a Certificated Note not bearing the Securities Act Legend shall be made only in Authorized Denominations upon receipt by the Trustee or Transfer Agent of a written certification from the transferor in the form of Exhibit D to the effect that such transfer is being made in accordance with Regulation S.

Beneficial interests in the Global Notes shall be shown on, and transfers thereof shall be effected only through records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream.

Transfers between participants in DTC shall be effected in the ordinary way in accordance with the Applicable Procedures and shall be settled in DTC's Same Day Funds Settlement System and secondary market trading activity in such Exchange Notes shall therefore settle in immediately available funds. There can be no assurance as to the effect, if any, of settlements in immediately available funds on trading activity in the Exchange Notes. Transfers between participants in Euroclear and Clearstream shall be effected in the ordinary way in accordance with Applicable Procedures.

(d) Certificated Notes may be exchanged or transferred in whole or in part in the principal amount of Authorized Denominations by surrendering such Certificated Notes at the applicable Corporate Trust Office of the Trustee or any Transfer Agent with a written instrument of transfer as provided in this Indenture in the form of Exhibit B hereto duly executed by the Holder thereof or his attorney duly authorized in writing.

In exchange for any Certificated Note properly presented for transfer, the Trustee shall promptly authenticate and deliver or cause to be authenticated and delivered at the applicable Corporate Trust Office, to the transferee, or send by mail (at the risk of the transferee) to such address as the transferee may request, a Certificated Note or Exchange Notes, as the case may require, registered in the name of such transferee, for the same aggregate principal amount as was transferred. In the case of the transfer of any Certificated Note in part, the Trustee shall also promptly authenticate and deliver or cause to be authenticated and delivered at the applicable Corporate Trust Office, to the transferor, or send by mail (at the risk of the transferor) to such address as the transferor may request, a Certificated Note or Exchange Notes, as the case may require, registered in the name of such transferor, for the aggregate principal amount that was not

transferred. No transfer of any Exchange Notes shall be made unless the request for such transfer is made by the registered Holder or his attorney duly authorized in writing at the applicable Corporate Trust Office and is accompanied by a completed instrument of transfer in the form of Exhibit C attached to the Exchange Note presented for transfer.

(e) Transfer, registration and exchange of any Exchange Note or Exchange Notes shall be permitted and executed as provided in this Section 2.06 without any charge to the Holder of any such Exchange Notes other than any taxes or governmental charges or insurance charges payable on transfers or any expenses of delivery by other than regular mail, but subject to such reasonable regulations as the Company, the Registrar and the Trustee may prescribe.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expense of delivery by other than regular mail (if any) and except for the payment of a sum sufficient to cover any tax or other governmental charges or insurance charges that may be imposed in relation thereto, shall be borne by the Company.

All Certificated Notes issued upon any exchange or registration of transfer of Exchange Notes shall be valid obligations of the Company, evidencing the same debt, and entitled to the same benefits, as the Exchange Notes surrendered upon exchange or registration of transfer.

(f) The Trustee or the Transfer Agent shall effect transfers of Global Notes and Certificated Notes. In addition, the Registrar shall keep a register of the Exchange Notes and their ownership, exchange and transfer. The Transfer Agent shall give prompt notice to the Registrar and the Registrar shall likewise give prompt notice to the Trustee of any exchange or registration of transfer of such Exchange Notes. Neither the Trustee nor any Transfer Agent shall register the exchange or the transfer of any Global Note or Certificated Note (or any portion of a Certificated Note) during the period of 15 days ending on the Record Date. The Trustee shall give prompt notice to the Company of any replacement, transfer, cancellation or destruction of the Exchange Notes.

(g) Upon any such exchange or registration of transfer of all or a portion of any Global Note for a Certificated Note or an interest in either the Restricted Global Note or the Regulation S Global Note for an interest in the other Global Note, the Global Note to be so exchanged shall be marked to reflect the reduction of its principal amount by the aggregate principal amount of such Certificated Note or the interest to be so exchanged for an interest in a Regulation S Global Note or a Restricted Global Note, as the case may be. Until so exchanged in full, the Exchange Note shall in all respects be entitled to the same benefits under this Indenture as the Exchange Notes authenticated and delivered hereunder.

Section 2.07 *Replacement Notes.* If any Exchange Note at any time becomes mutilated, defaced, destroyed, stolen or lost, such Exchange Note may be replaced at the cost of the applicant (including reasonable legal fees of the Issuer, the Trustee, the Transfer Agent, the Registrar and the Paying Agents) at the office of the Trustee or any Transfer Agent, upon provision of, in the case of destroyed, stolen, mutilated or defaced beyond clear identification or lost Exchange Notes, evidence satisfactory to the Trustee, the Transfer Agent, the Registrar, the Paying Agents and the Issuer that such Exchange Note was destroyed, stolen, mutilated or defaced beyond clear identification or lost, together with such indemnity and/or security as the Trustee and the Issuer

may require. Mutilated or defaced Exchange Notes must be surrendered before replacements shall be issued.

Each Exchange Note authenticated and delivered in exchange for or in lieu of any such Exchange Note shall carry rights to accrued and unpaid interest and to interest to accrue equivalent to the rights that were carried by such Exchange Note before such Exchange Note was mutilated, defaced, destroyed, stolen or lost.

Every replacement Exchange Note is an additional obligation of the Issuer and shall be entitled to the benefits of this Indenture.

Section 2.08 *Temporary Notes.* Subject to the provisions of Section 2.06(a), until Certificated Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Exchange Notes. Temporary Notes shall be substantially in the form of Certificated Notes but may have variations that the Company considers appropriate for temporary Exchange Notes. As necessary, the Company shall prepare and the Trustee shall authenticate Certificated Notes and deliver them in exchange for temporary Exchange Notes at the office or agency of the Company or the Trustee, without charge to the Holder. Until so exchanged, the temporary Exchange Notes shall be entitled to the same benefits under this Indenture as Certificated Notes.

Section 2.09 *Cancellation.* The Issuer at any time may deliver Exchange Notes to the Trustee for cancellation. The Transfer Agent and the Paying Agent shall forward to the Trustee, if they are not the same person, any Exchange Notes surrendered to them for transfer, exchange or payment. The Trustee or a Paying Agent and no else shall cancel, and the Trustee shall destroy, in each case, in accordance with its customary procedures all Exchange Notes surrendered for transfer, exchange, payment or cancellation and, if so destroyed, upon written instruction from the Issuer, deliver a certificate of such destruction to the Issuer unless the Issuer direct the Trustee in writing to deliver cancelled Exchange Notes to the Issuer. The Issuer may not issue new Exchange Notes to replace Notes they have redeemed, paid or delivered to the Trustee for cancellation, which shall not prohibit the Issuer from issuing any Additional Exchange Notes. An Exchange Note does not cease to be outstanding because the Issuer, the Guarantors or any of their Affiliates holds such Exchange Note, except that such Exchange Notes will not be deemed to be Outstanding for voting purposes pursuant to and in accordance with the definition of "Outstanding" in Section 1.01.

Section 2.10 *Defaulted Interest.* If the Issuer default in a payment of interest on the Exchange Notes, the Issuer shall pay the defaulted interest (plus interest on such defaulted interest to the extent lawful) in any lawful manner not inconsistent with the requirements of any stock exchange on which the Exchange Notes may be listed, and upon such notice as may be required by such exchange, if, after written notice given by the Issuer to the Trustee of the proposed payment pursuant to this Section 2.11, such manner of payment shall be deemed practicable by the Trustee.

The Issuer may pay the defaulted interest to the Persons who are Holders on a subsequent special record date, which date shall be at least five Business Days prior to the payment date of such defaulted interest. The Issuer shall fix or cause to be fixed any such special record date and payment date, and, at least 15 days before any such special record date, the Issuer shall deliver to

each Holder, with a copy to the Trustee, a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

Section 2.11 *CUSIP and ISIN Numbers*. The Issuer, in issuing the Exchange Notes, may use CUSIP and ISIN numbers (if then generally in use) and, if so, the Trustee shall use CUSIP and ISIN numbers in notices as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Exchange Notes or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Exchange Notes, and any such notice shall not be affected by any defect in or omission of such numbers.

Section 2.12 *Open Market Purchases*. The Issuer or any of its Affiliates may at any time purchase Exchange Notes in the open market or otherwise at any agreed upon price. Any such purchased Exchange Notes shall not be resold, except in compliance with applicable requirements or exemptions under the relevant securities laws. Any such resold notes will have a separate CUSIP number unless they are fungible with the outstanding Exchange Notes for U.S. federal income tax purposes.

Section 2.13 *Issuance of Additional Exchange Notes*. The Issuer may, from time to time, without notice to or the consent of the Holders of the Exchange Notes, create and issue Additional Exchange Notes in an unlimited aggregate principal amount having the same terms and conditions as the Initial Exchange Notes in all respects, except for issue date, issue price and the first payment of interest thereon. Additional Exchange Notes issued in this manner shall form a single series with the previously outstanding Exchange Notes and shall vote together as one class on all matters with respect to the Exchange Notes; *provided* that the Additional Exchange Notes will have a separate CUSIP number unless the Exchange Notes and the Additional Exchange Notes are fungible for U.S. federal income tax purposes. Unless the context otherwise requires, for all purposes of this Indenture and the Exchange Notes, references to the Exchange Notes include any Additional Exchange Notes actually issued.

ARTICLE 3
REDEMPTION

Section 3.01 *Redemption*.

(a) The Exchange Notes will be redeemable, at the option of the Company, in whole or in part, at the Redemption Prices (expressed as a percentage of the principal amount to be redeemed), during the 12-month periods specified below:

Period	**Redemption Price**
On or after the Issue Date but prior to December 1, 2025	104.500%
On or after December 1, 2025 but prior to December 1, 2026	102.250%
On or after December 1, 2026.....	100.000%

plus any accrued but unpaid interest and Additional Amounts, if any, to, but not including, the Redemption Date.

(b) [Reserved].

(c) [Reserved].

(d) If as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction, or any amendment to or change in an official interpretation, administration or application of such laws or any regulations or rules (including a holding by a court of competent jurisdiction), which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the Issue Date or on or after the date a successor to the Issuer or the relevant Guarantor assumes its obligations under the Exchange Notes, the Issuer, such Guarantor or any successor to the Issuer or such Guarantor has or will become obligated to pay Additional Amounts pursuant to Section 4.05, then the Issuer or any Guarantor, or any successor to the Issuer or such Guarantor, may, at its option, redeem all, but not less than all, of the Exchange Notes, at a Redemption Price equal to 100% of their principal amount, together with accrued and unpaid interest to the date fixed for redemption, upon publication of irrevocable notice not less than 30 days nor more than 60 days prior to the date fixed for redemption. For the avoidance of doubt, neither the Issuer nor any Guarantor, nor any successor to the Issuer or such Guarantor, shall have the right to so redeem the Exchange Notes pursuant to this Section 3.01(d) unless it is or will become obligated to pay Additional Amounts. Notwithstanding the foregoing, the Issuer and any Guarantor, or any such successor shall not have the right to so redeem the Exchange Notes unless it has taken reasonable measures to avoid the obligation to pay Additional Amounts. For the avoidance of doubt, reasonable measures do not include changing the jurisdiction of incorporation of the Issuer or any successor to the Issuer or the jurisdiction of organization of a Guarantor or any successor to a Guarantor.

In the event that the Issuer or any successor to the Issuer, or a Guarantor or any successor to such Guarantor, elects to so redeem the Exchange Notes, it will deliver to the Trustee: (1) a certificate, signed in the name of the Issuer or any successor to the Issuer, or such Guarantor or successor to such Guarantor, by any two of its executive officers or by its attorney in fact in accordance with its bylaws, stating that the Issuer or any successor to the Issuer, or such Guarantor or successor to such Guarantor, is entitled to redeem the Exchange Notes pursuant to their terms and setting forth a statement of facts showing that the condition or conditions precedent to the right of the Issuer or any successor to the Issuer, or such Guarantor or successor to such Guarantor, to so redeem have occurred or been satisfied; and (2) an opinion of independent tax counsel of recognized standing to the effect that (i) the Issuer, a Guarantor or any successor to the Issuer or such Guarantor has or will become obligated to pay Additional Amounts, and (ii) such obligation is the result of a change in or amendment to the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction, as described above. The Trustee shall accept, and will be entitled to fully rely with no liability therefor on, the certificate and opinion described in (1) and (2) of the preceding sentence as sufficient evidence of the satisfaction of the conditions precedent described therein, without further inquiry, in which event such certificate or opinion shall be conclusive and binding on the Holders.

Section 3.02 *Notice to Trustee.* If the Issuer elects to redeem Exchange Notes pursuant to Section 3.01 hereof, it shall notify the Trustee in writing of the Redemption Date and the Redemption Price. The Issuer shall give each notice provided for in this Section 3.02 in an Officers' Certificate (including the information required by Section 3.03) at least five Business

Days before notice of redemption is required to be sent to the applicable Holders pursuant to Section 3.03 (unless a shorter period shall be satisfactory to the Trustee).

Section 3.03 *Notice of Redemption by the Issuer.* In the case of redemption of Exchange Notes pursuant to Section 3.01, the notice of redemption provided to the Trustee pursuant to Section 3.02 shall be distributed at least 15 but not more than 60 days before the Redemption Date to each Holder of any Exchange Note to be redeemed by first- class mail. A notice of redemption may be subject to one or more conditions precedent, which shall be stated in the redemption notice.

The notice shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) the name and address of the Paying Agents;

(4) that Exchange Notes called for redemption must be surrendered to a Paying Agent to collect the Redemption Price;

(5) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Exchange Notes called for redemption ceases to accrue on and after the Redemption Date;

(6) the section of this Indenture pursuant to which the Exchange Notes called for redemption are being redeemed;

(7) any conditions precedent to the redemption of the Exchange Notes;

(8) the CUSIP or ISIN number, if any; and

(9) that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number, if any, listed in such notice or printed on the Exchange Notes.

At the Company's request (which request may be revoked by the Company at any time prior to the time at which the Trustee shall have given such notice to the Holders), made in writing to the Trustee as described in Section 3.02, the Trustee shall give the notice of redemption in the name and at the expense of the Company reflecting the information provided by the Company. If, however, the Company gives such notice to the Holders, the Company shall concurrently deliver to the Trustee an Officers' Certificate stating that such notice has been given.

Section 3.04 *Deposit of Redemption Price.* By 3:00 P.M. New York time no later than one Business Day prior to the Redemption Date, the Company shall deposit with the Principal Paying Agent money sufficient to pay the Redemption Price of and accrued and unpaid interest on the Exchange Notes other than Exchange Notes that have been delivered by the Company to the Trustee at least 15 days prior to the Redemption Date for cancellation. The Company shall request that the bank through which such payment is to be made agree to supply to the Principal Paying

Agent by 10:00 A.M. (New York time) two Business Days prior to the due date from any such payment a confirmation (by facsimile) of its intention to make such payment.

Section 3.05 *Effect of Redemption.* If the Company complies with the provisions of Section 3.03 and Section 3.04, on and after the Redemption Date, interest shall cease to accrue on the Exchange Notes or the portions of Exchange Notes called for redemption . Upon surrender of any such Exchange Note for redemption in accordance with such notice, such Exchange Note shall be paid by the Company at the Redemption Price, together with accrued and unpaid interest, if any, to, but not including, the Redemption Date; *provided*, *however*, that installments of interest whose Interest Payment Date is on or prior to the Redemption Date shall be payable to the Holders of such Exchange Notes registered as such at the close of business on the relevant Record Dates according to their terms.

If any Exchange Note to be redeemed shall not be so paid upon surrender thereof in accordance with the Company's instructions for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the Exchange Notes. Upon such surrender to the Paying Agent, such Exchange Notes shall be paid at the applicable Redemption Price, plus accrued and unpaid interest to, but not including, the Redemption Date; *provided*, *however*, that installments of interest payable on or prior to the Redemption Date shall be payable to the Holders of such Exchange Notes registered as such at the close of business on the relevant Record Date according to their terms.

Section 3.06 *Selection of Exchange Notes to be Redeemed.* If less than all of the outstanding Exchange Notes are to be redeemed, if the Exchange Notes are held through a depositary, the Exchange Notes will be selected for redemption pursuant to the procedures of the applicable depositary or, if the Exchange Notes are held in definitive registered form, the Trustee will select the Exchange Notes to be redeemed in principal amounts of U.S.$1,000 and integral multiples of U.S.$1.00 in excess thereof. In the latter case, the Trustee may select the Exchange Notes by lot, pro rata or by any other method the Trustee considers fair and appropriate.

Section 3.07 *Notes Redeemed In Part.* Upon surrender of an Exchange Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder thereof (at the Company's expense) a new Exchange Note, equal in a principal amount to the unredeemed portion of the Exchange Note surrendered; *provided* that each new Exchange Note shall be in a principal amount of U.S.$1,000 or an integral multiple of U.S.$1.00 in excess thereof.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of Exchange Notes shall relate, in the case of any Exchange Note redeemed or to be redeemed only in part, to the portion of the principal amount of such Exchange Note which has been or is to be redeemed.

ARTICLE 4

COVENANTS

Section 4.01 *Payment of Principal and Interest under the Exchange Notes.* The Issuer shall punctually pay the principal of and interest on the Exchange Notes on the dates and in the

manner provided in the Exchange Notes. Principal and interest (including any Additional Amounts) shall be considered paid on the date due if by 3:00 P.M. New York time no later than one Business Day prior to such Payment Date to the Principal Paying Agent holds in accordance with this Indenture money sufficient to pay all principal, premium, if any, and interest (including Additional Amounts) due on such Payment Date.

The Issuer shall pay interest on overdue principal or installments of interest, to the extent lawful, at the rate borne by the Exchange Notes.

No interest shall be payable hereunder in excess of the maximum rate permitted by applicable law.

Section 4.02 *Maintenance of Office or Agency.* The Issuer shall maintain, in each place of payment for the Exchange Notes, an office or agency where Exchange Notes may be presented or surrendered for payment and where notices and demands to or upon the Issuer in respect of the Exchange Notes and this Indenture may be served. The Corporate Trust Office of the Trustee shall be such office or agency of the Issuer, unless the Issuer shall designate and maintain some other office or agency for one or more of such purposes. The Issuer shall give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

Section 4.03 *Money for Note Payments to Be Held in Trust*. If the Issuer shall at any time act as Paying Agent, it shall, on or before each due date of principal of or interest on any of the Exchange Notes, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and shall promptly notify the Trustee of its action or failure so to act.

Whenever the Issuer shall have one or more Paying Agents for the Exchange Notes, it shall, on or before each due date of principal of or interest on any Exchange Notes, irrevocably deposit with a Paying Agent a sum sufficient to pay such principal and interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal or interest, and the Issuer shall promptly notify the Trustee in writing of such action or any failure so to act.

Each Paying Agent other than the Trustee, subject to the provisions of this Section 4.03, shall:

(1) hold all sums held by it for the payment of principal of or interest on Exchange Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as set forth herein; *provided*, *however*, such sums need not be segregated from other funds held by it, except as required by law;

(2) give the Trustee written notice of any Default by the Issuer (or any other obligor upon the Exchange Notes) in the making of any payment of principal or interest; and

(3) at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Principal Paying Agent hereby agrees with the Issuer to act as Principal Paying Agent in accordance with this Section 4.03. The Issuer shall cause each other Paying Agent to execute and deliver an instrument in which such Paying Agent shall agree with the Issuer to act as a Paying Agent in accordance with this Section 4.03.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Issuer or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Issuer or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such sums.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of principal of or interest on any Exchange Note and remaining unclaimed for two years after such principal or interest has become due and payable shall be paid to the Company at the request of the Company, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Exchange Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease.

On or prior to the date hereof, the Principal Paying Agent is authorized and directed to establish and maintain, in the name of the Trustee, for the benefit of the Holders, a payment account. Amounts on deposit in such account shall be held uninvested. The Principal Paying Agent is authorized to make payments from such account as described in this Indenture.

Section 4.04 *Maintenance of Corporate Existence.* Each Parent Guarantor, the Issuer and each Guarantor shall maintain in effect its corporate existence and all registrations necessary therefor except to the extent the Ultimate Parent or the Company in good faith determine that the failure to do so is in the interest of the Ultimate Parent or the Company and would not have a material adverse effect on the ability of the Parent Guarantors, the Issuer and the Guarantors, taken as a whole, to perform their payment obligations under the Exchange Notes, *provided* that these restrictions shall not prohibit any transactions not prohibited by Article 5.

Section 4.05 *Payment of Additional Amounts*.

(a) All payments by the Issuer in respect of the Exchange Notes and by the Guarantors in respect of the Exchange Note Guarantees will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, or other governmental charges of a similar nature imposed or levied by or on behalf of the United Kingdom, or any other jurisdiction in which the Issuer or Guarantors are organized, resident for tax purposes or through which payments are made or deemed made in respect of the Exchange Notes or the Exchange Note Guarantees, or any authority therein or thereof having the power to tax or, following any merger, consolidation, spin-off, transfer, liquidation, winding-up, dissolution

or assumption of obligations that is permitted herein, the jurisdiction in which the resulting, surviving or transferee Person is organized or resident for tax purposes or through which payments are made or deemed made in respect of the Exchange Notes or the Exchange Note Guarantees, or, in each case, any political subdivision thereof or taxing authority therein (any of the aforementioned being a "**Taxing Jurisdiction**"), unless the Issuer, Guarantors or any Paying Agent are compelled by law to deduct or withhold such taxes, duties, assessments, or similar governmental charges. In such event, the Issuer, Guarantors or Paying Agent, as applicable, will make such deduction or withholding, make payment of the amount so withheld to the appropriate Governmental Authority and the Issuer or Guarantor shall pay such additional amounts as may be necessary to ensure that the net amounts received by Holders of Exchange Notes after such withholding or deduction shall equal the amounts of principal and interest which would have been received in respect of the Exchange Notes in the absence of such withholding or deduction ("**Additional Amounts**").

Notwithstanding the foregoing, no such Additional Amounts shall be payable:

(1) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or similar governmental charges in respect of such Exchange Note by reason of the existence of any present or former connection between such Holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of or possessor of power over the relevant Holder or beneficial owner, if such Holder or beneficial owner is an estate, a trust, a partnership, or a corporation) and the relevant Taxing Jurisdiction, including, without limitation, such Holder or beneficial owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident or national or domiciliary thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present therein, other than the mere holding of the Exchange Note or enforcement of rights under this Indenture and the receipt of payments with respect to the Exchange Note;

(2) in respect of Exchange Notes surrendered or presented for payment (if surrender or presentment is required) more than 30 days after the Relevant Date except to the extent that payments under such Exchange Note would have been subject to withholding and the Holder of such Exchange Note would have been entitled to such Additional Amounts on surrender of such Exchange Note for payment on the last day of such period of 30 days;

(3) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or other similar governmental charges by reason of such Holder's, or beneficial owner's, failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with the relevant Taxing Jurisdiction of such Holder or beneficial owner, if (a) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge, (b) the Company has given the Holders at least 30 days' notice that Holders, or beneficial owners, as applicable, will be required to provide such certification, identification, documentation or other requirement, (c) the Holder or beneficial owner is legally entitled to comply with such certification, identification, documentation or other reporting requirement and (d) compliance with such certification, identification, documentation or other reporting

requirement is not materially more onerous than preparation of an Internal Revenue Service Form W-8 or W-9;

(4) in respect of any estate, inheritance, gift, sales, use, transfer, excise or personal property or similar tax (not including any UK value-added tax payable), assessment or governmental charge;

(5) in respect of any tax, assessment or other similar governmental charge which is payable other than by deduction or withholding from payments of principal of or interest on the Exchange Note;

(6) in respect of any tax imposed on overall net income or any branch profits tax; or

(7) in respect of any combination of the above.

(b) No Additional Amounts shall be paid with respect to any payment on a Exchange Note to a Holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, any interest holder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the Holder.

(c) Furthermore, the Company will pay and indemnify the Holders against any UK value-added tax that is imposed on a payment of interest on the Exchange Notes.

(d) The Exchange Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation. Except as specifically provided under this Section 4.05, neither the Issuer nor the Guarantors shall be required to make a payment to the Holders with respect to any tax, assessment or similar governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein.

(e) Any reference in this Indenture or the Exchange Notes to principal, interest or any other amount payable in respect of the Exchange Notes by the Issuer or the Exchange Note Guarantee by the Guarantors will be deemed also to refer to any Additional Amount, unless the context requires otherwise, that may be payable with respect to that amount under the obligations referred to in this Section 4.05.

(f) The Company will pay promptly when due any present or future stamp, value-added tax, court or documentary taxes or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of each Exchange Note, each Collateral Document or any other document or instrument referred to in this Indenture or such Exchange Note, and those resulting from, or required to be paid in connection with, the enforcement of such Exchange Note, the Collateral Documents or any other such document or instrument after the occurrence and during the continuance of any Event of Default.

(g) The obligations of the Issuer and the Guarantors pursuant to this Section 4.05 shall survive termination or discharge of this Indenture, payment of the Exchange Notes and/or resignation or removal of the Trustee or the Principal Paying Agent.

Section 4.06 *Reporting Requirements*. The Ultimate Parent will provide the Trustee with the following reports (and will also provide the Trustee with sufficient copies, as required, of the following reports referred to in clauses (a) through (d) below for distribution, at the Company's expense, to all Holders of Exchange Notes):

(a) an English language version of the Ultimate Parent's annual audited consolidated financial statements prepared in accordance with IFRS not later than 120 days after the close of its fiscal year;

(b) an English language version of the Ultimate Parent's unaudited quarterly financial statements prepared in accordance with IFRS not later than 60 days after the close of each fiscal quarter (other than the last fiscal quarter of its fiscal year);

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, an Officers' Certificate stating whether a Default that has remained uncured and unremedied for 60 days or more or an Event of Default exists on the date of such certificate and, if an Event of Default or such a Default exists, setting forth the details thereof and the action that the Company is taking or proposes to take with respect thereto;

(d) without duplication, English language versions or summaries of such other reports or notices as may be filed or submitted as a material fact by (and promptly after filing or submission by) the Company with any stock exchange on which the Exchange Notes may be listed (in each case, to the extent that any such report or notice is generally available to its security holders or the public); and

(e) promptly after any executive officer becomes aware of the existence of an Event of Default, an Officers' Certificate setting forth the details thereof and the action which the Company or Ultimate Parent is taking or proposes to take with respect thereto.

Delivery of the above reports to the Trustee is for informational purposes only and the Trustee's receipt of such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including Ultimate Parent's or the Company's compliance with any of the covenants in this Indenture (as to which the Trustee is entitled to rely exclusively on Officers' Certificates). The requirement to provide any report (or copies thereof) to the Trustee shall be deemed satisfied if such report has been filed with the SEC through the Electronic Data Gathering Analysis and Retrieval (EDGAR) system (or any successor method of filing) or with any equivalent regulatory authority of any jurisdiction where the Exchange Notes are listed or if such report is made available on the Ultimate Parent's or the Company's website. Notwithstanding the foregoing, the Ultimate Parent or the Issuer may satisfy the obligations of this covenant with respect to financial information by furnishing financial information relating to any Parent Entity or equivalent financial information of the Issuer and the Guarantors; *provided* that if such Parent Entity is not a Guarantor, then the same shall be accompanied by selected financial metrics that show the differences (in the Ultimate Parent's sole

discretion) between the information relating to such Parent Entity, on the one hand, and the information relating to the Issuer and the Guarantors on a stand-alone basis, on the other.

Section 4.07 *Available Information.* For so long as any Exchange Notes remain outstanding, the Company shall make available to any Holder of an Exchange Note or owner of a beneficial interest in a Global Note, or to any prospective purchasers designated by such Holder or beneficial owner, upon request to such Holder or beneficial owner, and in addition to the information referred to in Section 4.06, the information required to be delivered under paragraph (d)(4) of Rule 144A (as amended from time to time and including any successor provision) unless, at the time of such request, the Company is subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act.

Section 4.08 *Limitations on Incurrence of Additional Indebtedness*.

(a) Neither the Parent Guarantors nor the Company will, and they will not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) or issue any Disqualified Capital Stock, and the Parent Guarantors and the Company will not cause or permit any of the Restricted Subsidiaries to issue any Preferred Stock, except that the Parent Guarantors, the Company and the Restricted Subsidiaries may incur Indebtedness or issue any Disqualified Capital Stock and any Restricted Subsidiary may issue any Preferred Stock, if, at the time of and immediately after giving pro forma effect to the incurrence or issuance thereof and the application of the net proceeds therefrom, the Fixed Charge Coverage Ratio (determined on a pro forma basis after giving effect to such incurrence or issuance as if such incurrence or issuance had occurred on the first day of the period for which the Fixed Charge Coverage Ratio is determined, assuming in the case of the issuance of Disqualified Capital Stock or Preferred Stock, the making of dividends thereunder at the highest possible rate provided pursuant to the terms thereof) shall be equal to or greater than 1.1 to 1.0.

(b) Notwithstanding clause (a) above, the Parent Guarantors, the Company and the Restricted Subsidiaries, as applicable, may, at any time, incur the following Indebtedness ("**Permitted Indebtedness**") in an aggregate principal amount at any one time outstanding not to exceed U.S.$3,750,000,000 (exclusive of (i) any aircraft or engine lease obligations of the Parent Guarantors, the Company or any of the Restricted Subsidiaries that would be deemed to be Indebtedness after giving effect to IFRS 16 as in effect on the Issue Date, (ii) Indebtedness permitted under Section 4.08(b)(4) and (iii) any Permitted Refinancing Indebtedness incurred under Section 4.08(b)(9)(A) below); *provided*, *however*, that any Indebtedness that is not Aircraft Indebtedness incurred under Sections 4.08(b)(1) through (3) and (5) through (15) below (other than in connection with any capital expenditures incurred for purposes of aircraft reconfiguration) at any one time outstanding shall not exceed an aggregate principal amount of U.S.$2,750,000,000:

(1) Indebtedness in respect of (i) the Exchange Notes (excluding any Additional Exchange Notes) and Exchange Note Guarantees; (ii) the Refinancing Notes (excluding any additional Refinancing Notes) and Refinancing Note Guarantees; and (iii) the Stub Notes (excluding any additional Stub Notes) and Stub Notes Guarantees;

(2) other Indebtedness of the Parent Guarantors, the Company and the Restricted Subsidiaries outstanding on the Issue Date, other than Indebtedness otherwise specified under any clause of this definition of Permitted Indebtedness;

(3) Hedging Obligations entered into by the Parent Guarantors, the Company and the Restricted Subsidiaries for bona fide hedging purposes and not for speculative purposes;

(4) intercompany Indebtedness between the Parent Guarantors and the Company, between the Parent Guarantors and any Restricted Subsidiaries, between the Company and any Restricted Subsidiaries or between any Restricted Subsidiaries; *provided* that in the event that at any time any such Indebtedness ceases to be held by a Parent Guarantor, the Company or a Restricted Subsidiary, such Indebtedness will be deemed to be incurred by such Parent Guarantor, the Company or the relevant Restricted Subsidiary, as the case may be, and not permitted by this clause (4) at the time such event occurs;

(5) Indebtedness of the Parent Guarantors, the Company or any of the Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts paid in full by the close of business on the day such overdraft was incurred) drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of incurrence;

(6) Indebtedness of the Parent Guarantors, the Company or any of the Restricted Subsidiaries represented by letters of credit for the account of a Parent Guarantor, the Company or any Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;

(7) Indebtedness consisting of letters of credit, banker's acceptances, performance bonds, appeal bonds, surety bonds, customs bonds and other similar bonds and reimbursement obligations incurred by a Parent Guarantor, the Company or any Restricted Subsidiary in the ordinary course of business securing the performance of contractual, franchise or license obligations of a Parent Guarantor, the Company or any Restricted Subsidiary (in each case, other than for an obligation for borrowed money);

(8) Indebtedness of a Parent Guarantor, the Company or any of the Restricted Subsidiaries to the extent the net proceeds thereof are promptly used to redeem the Exchange Notes, Stub Notes or Refinancing Notes in full or deposited to defease or discharge the Exchange Notes, Exchange Notes, Stub Notes or Refinancing Notes, in each case in accordance with the Indenture;

(9) Permitted Refinancing Indebtedness in respect of:

(A) Indebtedness (other than Indebtedness owed to a Parent Guarantor, the Company or any Subsidiary of a Parent Guarantor) incurred pursuant to clause (a) above (it being understood that no Indebtedness outstanding on the Issue Date is incurred pursuant to such Section 4.08(a)); or

(B) Indebtedness incurred pursuant to Section 4.08(b)(1), Section 4.08(b)(2), Section 4.08(b)(9)(B), Section 4.08(b)(12) (excluding Indebtedness owed to a Parent Guarantor, the Company or a Subsidiary of a Parent Guarantor) and Section 4.08(b)(13);

(10) Indebtedness arising from agreements of a Parent Guarantor, the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any business, assets or Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness will at no time exceed the gross proceeds actually received by a Parent Guarantor, the Company and the applicable Restricted Subsidiary in connection with such disposition;

(11) the guarantee by a Parent Guarantor, the Company or any Guarantor of Indebtedness of a Parent Guarantor, the Company or a Restricted Subsidiary of a Parent Guarantor or the Company that was permitted to be incurred by another provision of this covenant;

(12) Acquired Indebtedness, *provided* that after giving effect to the incurrence thereof, neither a Parent Guarantor, the Issuer nor any of the Restricted Subsidiaries shall be required to guarantee any obligations in connection with such Acquired Indebtedness and the Capital Stock of the Restricted Subsidiary that has incurred such Acquired Indebtedness (or the ultimate parent entity of such Restricted Subsidiary) shall have become subject to a Lien in favor of the applicable Collateral Trustee that is subject to the applicable Collateral Trust Agreement;

(13) the guarantee by a Parent Guarantor, the Company, any Guarantor or any Restricted Subsidiary of Indebtedness of Wamos in an aggregate principal amount at any one time outstanding that shall not exceed U.S.$40,000,000;

(14) Aircraft Indebtedness; and

(15) additional Indebtedness in an aggregate principal amount which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (15) and then outstanding, will not exceed $150.0 million.

(c) In the event that an item of Indebtedness meets the criteria of clause (a) or (b) above or more than one of the categories of Permitted Indebtedness described in clauses (1) through (15) of clause (b) above, the Company may, in its sole discretion, divide and classify (or at any time reclassify) such item of Indebtedness in any manner that complies with this Section 4.08. Indebtedness permitted by this Section 4.08 need not be permitted solely by reference to one provision permitting such Indebtedness, but may be permitted in part by such provision and in part by one or more other provisions of this Section 4.08 permitting such Indebtedness, *provided* that the Stub Notes, the Exchange Notes or the Refinancing Notes incurred pursuant to clause (1) of clause (b) above may not be reclassified. For purposes of Section 4.08(b)(2), Indebtedness outstanding on the Issue Date shall be deemed to include all committed amounts under any agreement governing Indebtedness that is in effect on the Issue Date, and any incurrence of such

committed amounts under such agreement after the Issue Date shall be deemed an incurrence of Indebtedness permitted by such Section 4.08(b)(2) at such time.

Section 4.09 *Limitation on Transactions with Affiliates.* Neither a Parent Guarantor nor the Company shall, and they shall not permit any of their Restricted Subsidiaries to, enter into any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) involving aggregate consideration in excess of U.S.$5,000,000 with, or for the benefit of, any Affiliate of the Ultimate Parent, other than a Parent Guarantor, the Company or their Restricted Subsidiaries (an "**Affiliate Transaction**"), unless (a) such Affiliate Transaction is a Permitted Affiliate Transaction or (b) the terms of the Affiliate Transaction (other than a Strategic Investment) are conducted in the ordinary course of business and substantially as favorable to such Parent Guarantor, the Company or such Subsidiary as those that could be obtained at the time of the Affiliate Transaction in arm's length dealings with a Person who is not an Affiliate and the Company delivers to the Trustee (i) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration more than U.S.$10,000,000, an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with this Section 4.09(b), and (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of U.S.$25,000,000, an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with this Section 4.09(b) in the opinion of an Approved Appraisal Firm, as evidenced by a written report or opinion attached to such Officers' Certificate.

Section 4.10 *Repurchase of Exchange Notes upon a Change of Control.* Not later than 30 days following a Rating Decline that results from a Change of Control, the Company will make an Offer to Purchase (an "**Offer to Purchase**") all outstanding Exchange Notes at a purchase price equal to 101% of the principal amount plus accrued interest up to, but not including the date of purchase.

An "Offer to Purchase" must be made by written offer, which will specify the purchase price. The offer must specify an expiration date (the "**expiration date**") not less than 30 days or more than 60 days after the date of the offer and a settlement date for the purchase (the "**purchase date**") not more than five Business Days after the expiration date. The offer must include information required by the Securities Act, Exchange Act or any other applicable laws. The offer will also contain instructions and materials necessary to enable Holders to tender Exchange Notes pursuant to the offer.

A Holder may tender all or any portion of its Exchange Notes pursuant to an Offer to Purchase, subject to the requirement that any portion of an Exchange Note tendered must be in a denomination of U.S.$1,000 or an integral multiple of U.S.$1.00 principal amount in excess thereof. Holders are entitled to withdraw Exchange Notes tendered up to the close of business on the expiration date. On the purchase date the purchase price will become due and payable on each Exchange Note accepted for purchase pursuant to the Offer to Purchase, and interest on Exchange Notes purchased will cease to accrue on and after the purchase date.

The Company will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws in making any Offer to Purchase, and the above procedures will be deemed modified as necessary to permit such compliance.

Section 4.11 *After-Acquired Property; Additional Collateral*.

(a) If, after the Issue Date, intellectual property is acquired by the Issuer or a Guarantor (including intellectual property of a Person that becomes a new Guarantor) that is not automatically subject to a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest under the Collateral Documents, then, to the extent applicable pursuant to the applicable Security Principles, (x) on each June 30 and December 31 of each fiscal year, the Issuer or such Guarantor (i) shall provide a Lien over such property in favor of the applicable Collateral Trustee, (ii) shall execute and deliver such Collateral Documents as shall be necessary to vest in the applicable Collateral Trustee a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest in such intellectual property and to have such intellectual property (but subject to the limitations set forth in the Collateral Documents) added to the Collateral, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such intellectual property, and (iii) deliver certificates and Opinions of Counsel in accordance with the applicable Security Principles and (y) shall comply with the Collateral and Guarantee Requirements set forth in the 2025 Collateral Trust Agreement.

(b) If, after the Issue Date, any other property or assets (other than Excluded Assets) are held or acquired by the Issuer or a Guarantor that is not automatically subject to a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest under the Collateral Documents, then to the extent applicable pursuant to the applicable Security Principles, the Issuer or such Guarantor, (x) on each June 30 and December 31 of each applicable fiscal year, (i) shall provide a Lien over such property in favor of the applicable Collateral Trustee, (ii) shall execute and deliver such Collateral Documents as shall be necessary to vest in the applicable Collateral Trustee a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest in such property and to have such property (but subject to the limitations set forth in the Collateral Documents) added to the Collateral, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such property or assets, and (iii) deliver certificates and Opinions of Counsel in accordance with the applicable Security Principles and (y) shall comply with the Collateral and Guarantee Requirements set forth in the Existing Collateral Trust Agreement.

(c) If, after the Issue Date, the Issuer or Guarantors grant a Lien on any asset for the benefit of the Refinancing Notes, the Issuer and Guarantors shall (i) provide a Lien over such property in favor of the applicable Collateral Trustee for the benefit of the Holders to the same extent provided to the Refinancing Notes, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such property or assets.

Section 4.12 *Future Guarantors*.

(a) If:

(1) (i) any Restricted Subsidiary of the Issuer that is a Non-Guarantor Subsidiary incurs Indebtedness, Disqualified Capital Stock or Preferred Stock in an amount greater than U.S.$50,000,000 (or the equivalent in other currencies, and, in the case of Preferred Stock, based solely on the liquidation preference thereof as such amount), (ii) any Restricted Subsidiary of the Issuer that is a Non-Guarantor Subsidiary guarantees any Indebtedness or Disqualified Capital Stock of the Issuer or any Parent Guarantor or any Indebtedness, Disqualified Capital Stock or Preferred Stock of any Restricted Subsidiary in an amount greater than U.S.$50,000,000 (or the equivalent in other currencies, and, in the case of Preferred Stock, based solely on the liquidation preference thereof as such amount), (iii) the Issuer determines in good faith that any Non-Guarantor Subsidiary (including any newly acquired or formed Subsidiary) has become a Significant Subsidiary (including as a result of a Revocation) based on the most recent consolidated financial statements of the Ultimate Parent provided to the Trustee pursuant to Section 4.06 (or required to be provided thereunder), or (iv) any Restricted Subsidiary of the Issuer that is a Non-Guarantor Subsidiary guarantees the Refinancing Notes then the Issuer will cause such Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture, promptly and in any event within ninety (90) days after the applicable fiscal quarter (or one hundred twenty (120) days after a fiscal year in the case of the last fiscal quarter of each fiscal year), pursuant to which such Restricted Subsidiary shall unconditionally guarantee the Exchange Notes pursuant to one or more Exchange Note Guarantees, together with an Officers' Certificate and Opinion of Counsel; or

(2) any Restricted Subsidiary of the Issuer that is a Non-Guarantor Subsidiary acquires any asset that would otherwise be Collateral, then to the extent applicable pursuant to the applicable Security Principles the Issuer will cause such Restricted Subsidiary to unconditionally guarantee the Exchange Notes pursuant to one or more Exchange Note Guarantees and to (i) provide a Lien over such asset in favor of the applicable Collateral Trustee, (ii) execute and deliver such Collateral Documents as shall be necessary to vest in the applicable Collateral Trustee a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest in such property and to have such property (but subject to the limitations set forth in the Collateral Documents) added to the Collateral, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such property or assets, and (iii) deliver certificates and Opinions of Counsel in accordance with the applicable Security Principles;

provided, however, that (A) no Restricted Subsidiary shall be required to become a Guarantor or be required to execute any supplemental indenture pursuant to this Section 4.12 if the execution or enforcement of such supplemental indenture and the resultant Exchange Note Guarantees or the granting of the assets as collateral thereunder is prohibited by, or in violation of, any provision of any agreement to which it is party existing at the time of such acquisition or creation or becoming a Restricted Subsidiary, as applicable; and (B) if the Issuer determines in good faith that the total assets of all Non-Guarantor Subsidiaries (measured on a combined basis) as of the last day of each fiscal quarter is greater than 20.0% of the Ultimate Parent's consolidated total assets based on the most recent consolidated financial statements of the Ultimate Parent provided to the Trustee pursuant to Section 4.06 (or required to be provided thereunder), then the Issuer will cause one or more Restricted Subsidiaries to execute and deliver to the Trustee supplemental indentures as necessary for the total assets of all Guarantors (measured on a combined basis) as of the last day of such fiscal quarter to represent at least 80.0% of the Ultimate Parent's consolidated total assets, pursuant to which such Restricted Subsidiaries shall unconditionally guarantee the Exchange

Notes pursuant to one or more Exchange Note Guarantees, together with an Officers' Certificate and Opinion of Counsel.

(b) The Ultimate Parent shall not be permitted to own any Subsidiary, other than the Issuer and the Subsidiaries of the Issuer, unless at the time such Subsidiary becomes a Subsidiary of the Ultimate Parent, such Subsidiary shall (i) own, directly or indirectly, 100% of the Voting Stock of the Issuer, (ii) have unconditionally guaranteed the Exchange Notes pursuant to one or more Exchange Note Guarantees and (iii) to the extent applicable pursuant to the applicable Security Principles, have executed such Collateral Documents as are necessary or desirable to grant a first priority perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) Lien on its assets for the benefit of the applicable Collateral Trustee and delivered an Officers' Certificate and Opinion of Counsel in accordance with the applicable Security Principles; *provided* that for the avoidance of doubt, to the extent there is no Parent Guarantor resulting from a transaction permitted under Article 5, this clause (b) shall be disregarded and of no effect.

(c) Notwithstanding the foregoing, the Exchange Note Guarantees shall be limited to the maximum amount that would not render the Guarantors' respective obligations subject to avoidance under applicable fraudulent conveyance laws (or in breach of similar concepts or other limitations).

(d) Each Exchange Note Guarantee shall be released in accordance with Section 10.09.

Section 4.13 *Post-Closing Obligations*.

(a) The Ultimate Parent and the Issuer shall, and shall cause the Restricted Subsidiaries, to complete the actions set forth in Schedule 4.13 within the time periods set forth therein (or such longer periods agreed by the applicable Collateral Trustee in its reasonable discretion; *provided* that the applicable Collateral Trustee may not agree to extend any such period to be more than twice as long as the original length of such period as set forth in Schedule 4.13 prior to giving effect to any such extension).[1]

Section 4.14 *Further Assurances; Control Agreements*.

(a) The Issuer and Guarantors shall, at their sole expense and subject to the applicable Security Principles, do all acts which may be reasonably necessary to confirm that the applicable Collateral Trustee holds, for the benefit of the Secured Parties, duly created, enforceable and perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) first-priority Liens on the Collateral. The Issuer and Guarantors shall, at their sole expense and subject to the applicable Security Principles, execute, acknowledge and deliver such documents and instruments and take such other actions which may be reasonably necessary to assure, perfect, transfer and confirm the rights conveyed by the Collateral Documents, to the extent permitted by applicable law.

[1] Schedule to be included in executed indenture.

(b) The Issuer and each Guarantor shall maintain its cash and Cash Equivalents in accounts subject to a deposit account control agreements or securities account control agreement in form and substance reasonably satisfactory to the applicable Collateral Trustee, other than any Excluded Accounts.

Section 4.15 *No Impairment of the Security Interests.* Except as otherwise permitted under this Indenture (including, for the avoidance of doubt, pursuant to a transaction otherwise permitted by this Indenture), any Collateral Trust Agreement and the Collateral Documents, none of the Company nor any of the Guarantors shall be permitted to take any action, or knowingly omit to take any action, which action or omission would have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Trustee, the applicable Collateral Trustee and the Holders of the Exchange Notes.

Section 4.16 *Maintenance of IP Pledge*. On each June 30 and December 31 of each fiscal year, each of the Issuer or Guarantor shall, at its sole cost and expense, do all acts which may be reasonably necessary to maintain, protect and enforce the IP Pledge (including any intellectual property included therein pursuant to Section 4.11(a)) and shall not permit such IP Pledge to lapse or become abandoned, and shall not license any such IP Pledge other than (i) licenses entered into, or incidental to, the ordinary course of business, (ii) the lapse or abandonment of intellectual property that has expired at the end of its natural statutory term under applicable law (taking into account all renewals, extensions and grace periods), and (iii) as otherwise permitted or not prohibited by this Indenture, the applicable Collateral Trust Agreement or the applicable Security Documents.

Section 4.17 *Ratings*. The Ultimate Parent shall cooperate with the applicable Rating Agencies to obtain a corporate family and/or corporate credit rating from two of the Rating Agencies and shall use commercially reasonable efforts to cause the Issuer to be continuously rated by such Rating Agencies but shall not be required to obtain any specific rating.

Section 4.18 *Liquidity*. The Ultimate Parent will not permit the aggregate amount of Liquidity to be less than U.S.$400,000,000 at the end of any Business Day following the Issue Date.

Section 4.19 *Limitations on Restricted Payments*.

(a) Neither any Parent Guarantor nor the Company shall, and they shall not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a "**Restricted Payment**"):

(1) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of such Parent Guarantor, the Company or any Restricted Subsidiary to holders of such Capital Stock, other than:

(A) dividends or distributions payable in Qualified Capital Stock of the Ultimate Parent;

(B) dividends or distributions payable to a Parent Guarantor, the Company and/or a Restricted Subsidiary; or

(C) dividends, distributions or returns of capital made on a pro rata basis to such Parent Guarantor, the Company or the Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on a less than pro rata basis to any minority holder);

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of a Parent Guarantor or the Company held by Persons other than a Parent Guarantor, the Company or any of the Restricted Subsidiaries;

(3) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness; or

(4) make any Investment (other than Permitted Investments); if at the time of the Restricted Payment and immediately after giving *pro forma* effect thereto:

(A) a Default or an Event of Default has occurred and is continuing;

(B) the Company is not able to incur at least U.S.$1.00 of additional Indebtedness pursuant to Section 4.08(a); or

(C) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof will exceed the sum of:

(1) 50% of Consolidated Net Income for the period (taken as one accounting period) commencing on the first day of the fiscal quarter in which the Issue Date occurred to and including the last day of the first full fiscal quarter ended immediately prior to the date of such Restricted Payment for which consolidated financial statements are available (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit); plus

(2) 100% of the aggregate net cash proceeds or Fair Market Value of assets received by the Ultimate Parent subsequent to the Issue Date as a contribution to its common equity capital or from the issue or sale of Capital Stock (other than Disqualified Capital Stock) of the Ultimate Parent or from the issue or sale of convertible or exchangeable Disqualified Capital Stock or convertible or exchangeable debt securities of the Ultimate Parent that have been converted into or exchanged for such Capital Stock (other than Capital Stock (or Disqualified Capital Stock or convertible or exchangeable debt securities) sold to a Subsidiary of the Ultimate Parent); plus

(3) to the extent that any Investment (other than a Permitted Investment) that was made under this clause (C) after the Issue Date is sold or otherwise liquidated or repaid (other than to a Parent Guarantor, the Issuer or a Restricted Subsidiary), the amount of cash received by any Parent Guarantor, the Issuer or any Restricted Subsidiary in respect of such sale, liquidation or disposition or the Fair Market Value of property received by such Parent Guarantor, the Issuer or any Restricted Subsidiary in respect of such sale, liquidation or disposition (in each case, less the cost of disposition, liquidation or repayment, if any, paid or to be paid by such Parent Guarantor, the Issuer or any Restricted Subsidiary); plus

(4) to the extent that any Unrestricted Subsidiary designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged with or consolidated into a Parent Guarantor, the Issuer or a Restricted Subsidiary after the Issue Date, the lesser of (i) the Fair Market Value of such Parent Guarantor's or the Issuer's Investment in such Subsidiary as of the date of such redesignation or merger or consolidation or (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after the Issue Date; plus

(5) 100% of any dividends or distributions received by a Parent Guarantor, the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary or unconsolidated investee of such Parent Guarantor, the Issuer to the extent such dividends or distributions were not included in the calculation of Consolidated Net Income; plus

(6) the amount of cash received by a Parent Guarantor, the Issuer or a Restricted Subsidiary as repayment of loans which constitute Investments (other than Permitted Investments) made under this clause (C) after the Issue Date by a Parent Guarantor, the Issuer or a Restricted Subsidiary or the value of Guarantees made under this clause (C) after the Issue Date by a Parent Guarantor, the Issuer or a Restricted Subsidiary which constituted Investments (other than Permitted Investments) that have been released in full.

(b) Notwithstanding Section 4.19(a), this Section 4.19 does not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to this Section 4.19;

(2) the acquisition of any shares of Capital Stock of the Ultimate Parent,

(A) in exchange for Qualified Capital Stock of the Ultimate Parent; or

(B) through the application of the net cash proceeds received by the Ultimate Parent from a substantially concurrent sale of Qualified Capital Stock of the Ultimate Parent or a contribution to the equity capital of the Ultimate Parent not

representing an interest in Disqualified Capital Stock, in each case not received from a Subsidiary of the Ultimate Parent;

(3) the acquisition of any shares of Capital Stock of Aerovías del Continente Americano S.A. Avianca pursuant to the share buy-back program in existence as of the Issue Date in an amount not to exceed U.S.$1,000,000 for all such repurchases during any fiscal year,

(4) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Subsidiary of the Ultimate Parent, of:

(A) Qualified Capital Stock of the Ultimate Parent; or

(B) Permitted Refinancing Indebtedness for such Subordinated Indebtedness;

(5) repurchases by the Ultimate Parent of Capital Stock of the Ultimate Parent or options, warrants or other securities exercisable or convertible into Capital Stock of the Ultimate Parent from employees or directors of the Ultimate Parent, the Company or any of their Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors in an amount not to exceed U.S.$10,000,000 for all such repurchases during any fiscal year;

(6) the repurchase of any Subordinated Indebtedness at a purchase price not greater than 101% of the principal amount thereof in the event of a change of control pursuant to a provision no more favorable to the holders thereof than Section 4.10 hereof; *provided* that, prior to the repurchase the Company has made an Offer to Purchase and repurchased all Exchange Notes issued under this Indenture that were validly tendered for payment in connection with such offer to purchase;

(7) repurchases of Capital Stock deemed to occur upon the exercise of stock options if the Capital Stock represents all or a portion of the exercise price thereof (or related withholding taxes), and Restricted Payments by the Ultimate Parent to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of the Ultimate Parent;

(8) if no Default or Event of Default has occurred and is continuing, the declaration and payment of dividends to holders of any class or series of Disqualified Capital Stock of a Parent Guarantor, the Company or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary issued in accordance with Section 4.08(a) to the extent such payment is made when due in accordance with its terms;

(9) if no Default or Event of Default has occurred and is continuing or would exist after giving *pro forma* effect thereto, Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (9), does not exceed U.S.$25,000,000 (or the equivalent in other currencies); and

(10) the declaration and payment of dividends or distributions by the Issuer or any Guarantor to, or the making of loans to, any Parent Entity in amounts required for any Parent Entity to pay or cause to be paid, in each case without duplication;

(A) franchise, excise and similar taxes and other fees, taxes and expenses, in each case, required to maintain their corporate or other legal existence;

(B) for any taxable period for which the Ultimate Parent and/or any of its Subsidiaries are members of a consolidated, combined or unitary tax group for applicable U.S. federal, state, local or foreign income tax purposes of which a direct or indirect parent of the Ultimate Parent is the common parent (a "Tax Group"), the portion of any U.S. federal, state, local or foreign taxes (as applicable) of such Tax Group for such taxable period that are attributable to the income of the Ultimate Parent and/or its Subsidiaries; provided that Restricted Payments made pursuant to this Section 4.19(b)(10)(B) shall not exceed the tax liability that the Ultimate Parent and/or its Subsidiaries (as applicable) would have incurred were such taxes determined as if such entity(ies) were a standalone taxpayer or standalone group, as the case may be;

(C) customary salary, incentive compensation, bonus, severance and other benefits payable to, and indemnities provided on behalf of, future, current or former officers, employees, directors, managers, independent contractors and consultants of any Parent Entity to the extent such salaries, bonuses, severance and other benefits and indemnities are attributable to the ownership or operation of the Ultimate Parent and any Restricted Subsidiaries, including (without limitation) (x) payments under the Intercompany Strategic Advisory Services Agreement and (y) the Ultimate Parent's, the Issuer's or any Restricted Subsidiaries' proportionate share of such amount relating to such Parent Entity being a public company;

(D) general corporate, operating and other costs and expenses (including, without limitation, expenses related to the maintenance of corporate or other existence and auditing or other accounting or tax reporting matters) and listing fees and other costs and expenses attributable to being a public company, as applicable, of the Ultimate Parent, the Issuer or any Parent Entity;

(E) fees and expenses of such Parent Entity related to any equity or debt offering or non-ordinary course transaction (whether or not successful or abandoned), on or after the Issue Date; provided that any such transaction was intended to be for the benefit of the Ultimate Parent, the Issuer and the Restricted Subsidiaries;

(F) amounts (including fees and expenses) that would otherwise be permitted to be paid directly by the Ultimate Parent or Issuer pursuant to Section 4.09;

(G) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Ultimate Parent, Issuer or any Parent Entity;

(H) any Restricted Payments permitted by Sections 4.19(b)(2), 4.19(b)(5) or 4.19(b)(7); and

(I) any Investment or other acquisition or investment that would otherwise be permitted to be made pursuant to this Section 4.19 if made by the Ultimate Parent, Issuer or any Restricted Subsidiary; provided that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such Parent Entity shall cause (1) all property acquired (whether assets or Equity Interests but not including any loans or advances made pursuant to clauses (xiii) or (xiv) of the definition of "Permitted Investments") to be contributed to the capital of the Issuer or one of its Restricted Subsidiaries or (2) the Person formed or acquired to merge into, or amalgamate or consolidate with, the Ultimate Parent, the Issuer or one of the Restricted Subsidiaries (to the extent not prohibited by Article 5) in order to consummate such Investment, (C) to the extent constituting an Investment, such Investment shall be deemed to have been made by the Ultimate Parent, Issuer or such Restricted Subsidiary in a manner permitted or not prohibited by this Indenture, (D) such Parent Entity and its Affiliates (other than the Ultimate Parent, the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Ultimate Parent, the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with this Indenture and (E) any property received by the Ultimate Parent, Issuer or a Restricted Subsidiary in excess thereof shall not increase amounts available for Restricted Payments pursuant to Section 4.19(a)(4)(C).

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expended pursuant to Section 4.19(b)(1) (without duplication for the declaration of the relevant dividend) and Section 4.19(b)(4) will be included in such calculation and amounts expended pursuant to Section 4.19(b)(2), Section 4.19(b)(3), Sections 4.19(b)(5) through (10) will not be included in such calculation.

The amount of any Restricted Payments not in cash will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by the applicable Parent Guarantor, the Company or the relevant Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment.

Section 4.20 *Limitations on Designation of Unrestricted Subsidiaries*.

(a) The Ultimate Parent may designate after the Issue Date any Subsidiary of the Company as an "Unrestricted Subsidiary" under this Indenture (a "**Designation**") only if:

(1) no Default or Event of Default has occurred and is continuing at the time of or after giving effect to such Designation;

(2) the Company could incur U.S.$1.00 of additional Indebtedness pursuant to Section 4.08(a), on a pro forma basis taking into account such designation;

(3) the Company would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an

Investment at the time of Designation) as a Restricted Payment pursuant to Section 4.19(a) in an amount (the "**Designation Amount**") equal to the Fair Market Value of the amount of the Company's Investment in such Subsidiary on such date; *provided*, that with respect to a Designation involving an amount in excess of U.S.$25,000,000, such Fair Market Value as confirmed by an Approved Appraisal Firm, as evidenced by a written report or opinion attached to an Officers' Certificate;

(4) such designation is reasonably and in good faith determined by an Officer of the Issuer to promote or significantly benefit the operational businesses of the Issuer and the Restricted Subsidiaries on the date of such designation; and

(5) such designation is otherwise consistent with the requirements set forth in the definition of "Unrestricted Subsidiary".

(b) Neither any Parent Guarantor, the Company nor any Restricted Subsidiary will at any time, except as permitted by Section 4.08 (including, for the avoidance of doubt and without limitation, the permission under Section 4.08(b)(13) relating to Wamos) and Section 4.19:

(1) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness);

(2) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary; or

(3) be directly or indirectly liable for any Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary, except for any non-recourse Guarantee given solely to support the pledge by a Parent Guarantor, the Company or any Restricted Subsidiary of the Capital Stock of any Unrestricted Subsidiary.

(c) The Ultimate Parent may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "**Revocation**") only if:

(1) no Default or Event of Default has occurred and is continuing at the time of and after giving effect to such Revocation; and

(2) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of the Indenture.

(d) Upon a Restricted Subsidiary becoming an Unrestricted Subsidiary,

(1) all existing Investments of the Parent Guarantors, the Company, and the Restricted Subsidiaries therein (valued at the Parent Guarantors', the Company's or the Restricted

Subsidiary's proportional share of the Fair Market Value of its assets less liabilities) will be deemed made at that time;

(2) all existing Capital Stock or Indebtedness of any Parent Guarantor or a Restricted Subsidiary held by it will be deemed incurred at that time, and all Liens on property of any Parent Guarantor or a Restricted Subsidiary held by it will be deemed incurred at that time;

(3) all existing transactions between it and the Parent Guarantors, the Company or any Restricted Subsidiary will be deemed entered into at that time;

(4) it is released at that time from its Exchange Note Guarantee, if any; and

(5) it will cease to be subject to the provisions of this Indenture as a Restricted Subsidiary.

(e) Upon an Unrestricted Subsidiary becoming, or being deemed to become, a Restricted Subsidiary,

(1) all of its Indebtedness, Disqualified Capital Stock and, to the extent applicable, Preferred Stock will be deemed incurred at that time for purposes of Section 4.08;

(2) Investments therein previously charged under Section 4.19 will be credited thereunder;

(3) may be required to issue a guarantee; and

(4) it will thenceforward be subject to the provisions of this Indenture as a Restricted Subsidiary.

(f) The Designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be deemed to include the Designation of all of the Subsidiaries of such Subsidiary. All Designations and Revocations must be evidenced by board resolutions of the Company's (or to the extent applicable, the Ultimate Parent's) board of directors and an Officers' Certificate delivered to the Trustee certifying compliance with the preceding provisions.

Section 4.21 *Limitation on Liens*.

(a) Neither any Parent Guarantor nor the Issuer shall, and they shall not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, incur any Liens of any kind (except for Permitted Liens) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom.

(b) In addition, and notwithstanding clause (a) of this Section 4.21, neither any Parent Guarantor nor the Issuer shall, and they shall not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, incur any Permitted Liens securing Indebtedness for borrowed money, upon the Route Authority Assets, whether owned on the Issue Date or acquired after the Issue Date, unless (i) such Liens secure the Exchange Notes and the Exchange Note Guarantees, the Refinancing Notes and the Refinancing Note Guarantees and the Stub Notes and

the Stub Note Guarantees, as applicable, (ii) the Route Authority Assets constitute Excluded Assets or (iii) the Exchange Notes (or the Exchange Note Guarantee in the case of Liens on assets or property of a Guarantor) are equally and ratably secured with (or on a senior basis to, in the case such Lien secures only Subordinated Indebtedness or Junior Lien Indebtedness) the obligations secured by such Lien, together with any other Priority Lien Debt, until such time as such obligations are no longer secured by such Lien.

Section 4.22 *Limitation on Asset Sales*. Neither any Parent Guarantor nor the Company shall, and they shall not permit any of the Restricted Subsidiaries to, consummate an Asset Sale unless:

(a) such Parent Guarantor, the Company (or such Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (as determined at the time of contractually agreeing to such Asset Sale) of the assets or Capital Stock issued or sold or otherwise disposed of; and

(b) at least 75% of the consideration received in the Asset Sale, by such Parent Guarantor, the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

For purposes of clause (b) above, the amount of (i) any liabilities (as shown on the Ultimate Parent's, the Company's or the applicable Restricted Subsidiary's most recent balance sheet or in the notes thereto) of such Parent Guarantor, the Company or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the Exchange Notes or the Exchange Note Guarantees) that are assumed by the transferee of any such assets or are terminated, cancelled or otherwise cease to be obligations of such Parent Guarantor or the Company in connection with such Asset Sale and, in each case from which such Parent Guarantor, the Company and all Restricted Subsidiaries have been validly released by all creditors in writing, (ii) any securities or other obligations or assets received by such Parent Guarantor, the Company or such Restricted Subsidiary from such transferee that are converted by such Parent Guarantor, the Company or Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Sale and (iii) any asset described in clause (c) below shall be deemed to be cash for purposes of this Section 4.22.

Within 365 days after the receipt of any net proceeds from an Asset Sale, the applicable Parent Guarantor or the Company (or, if applicable, the Restricted Subsidiary) may apply those net proceeds at its option in one or more of the following manners:

(a) to the extent such net proceeds are from an Asset Sale of assets that do not constitute Collateral, to repay, redeem, retire, defease, refinance or repurchase any Indebtedness having a Lien thereon that has a higher priority than the Liens, if applicable, securing the Exchange Notes and the Exchange Notes Guarantees on the assets that were the subject of such Asset Sale;

(b) to reduce Additional Secured Debt Facilities (including obligations under the Refinancing Notes, but excluding obligations under the Stub Notes); *provided* that if the Company or any Guarantor shall so reduce Additional Secured Debt Facilities, the Company or such Guarantor shall equally and ratably reduce Obligations under the Exchange Notes by, at their option (i) redeeming Exchange Notes as provided under Section 3.01, (ii) purchasing Exchange

Notes through open-market purchases or (iii) by making an offer (in accordance with the procedures set forth herein for an Asset Sale Offer) to all holders of the Exchange Notes to purchase their Exchange Notes at a purchase price equal to 100% of the principal amount thereof, *plus* the amount of accrued but unpaid interest, if any, on the principal amount of Exchange Notes to be repurchased to the date of repurchase;

(c) (x) to make capital expenditures or (y) to purchase or make an Investment otherwise permitted under this Indenture in (A) any one or more businesses; *provided* that such Investment in any business is in the form of the acquisition of Capital Stock and it results in such Parent Guarantor, the Company or a Restricted Subsidiary owning an amount of the Capital Stock of such business such that such business constitutes a Restricted Subsidiary, (B) properties, or (C) any other assets that, in each of (A), (B) and (C), replace the businesses, properties and assets that are the subject of such Asset Sale; *provided* that if, during such 365-day period, such Parent Guarantor, the Company or a Restricted Subsidiary enters into a definitive binding agreement committing it to apply such net proceeds in accordance with the requirements of clause (x) or (y) of this paragraph after such 365th day, such 365-day period will be extended with respect to the amount of net proceeds so committed for a period not to exceed 180 days until such net proceeds are required to be applied in accordance with such agreement (or, if earlier, until termination of such agreement); and/or

(d) any combination of the foregoing;

provided, in the case of clause (b) or (c) above, (i) if an offer to purchase any Indebtedness of such Parent Guarantor, the Company or any Restricted Subsidiary is made, such amount will be deemed repaid to the extent of the amount of such offer, whether or not accepted by the holders of such Indebtedness, and no net proceeds in the amount of such offer will be deemed to exist following such offer, and (ii) if the holder of any Indebtedness of a Restricted Subsidiary of such Parent Guarantor declines the repayment of such Indebtedness owed to it from such net proceeds such amount will be deemed repaid to the extent of the declined net proceeds.

Pending the final application of any net proceeds, a Parent Guarantor, the Company or the applicable Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the net proceeds in any manner that is not prohibited by this Indenture. Any net proceeds from an Asset Sale not applied or invested in accordance with the preceding paragraph within the time periods set forth above shall constitute "**Excess Proceeds**." When the aggregate amount of Excess Proceeds exceeds U.S.$75,000,000, such Parent Guarantor, the Company or the applicable Restricted Subsidiary will make an offer (an "**Asset Sale Offer**") to all holders of the Exchange Notes and such other Additional Secured Debt Facilities that contain provisions similar to those set forth in this Section 4.22 with respect to offers to purchase with the proceeds of sales of assets to purchase, on a *pro rata* basis, the maximum principal amount of the Exchange Notes and such other Additional Secured Debt Facilities that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to (but not including) the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Asset Sale Offer, the applicable Parent Guarantor, the Company or the applicable Restricted Subsidiary may use those Excess

Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds required to purchase Notes above, the Exchange Notes to be purchased will be selected on a *pro rata* basis and in accordance with DTC procedures, as applicable. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds hereunder will be reset at zero. To the extent Excess Proceeds exceed the outstanding aggregate principal amount of the Exchange Notes (and, if required by the terms thereof, all Indebtedness that ranks *pari passu* with the Exchange Notes), the Company need only make an Asset Sale Offer up to the outstanding aggregate principal amount of Exchange Notes (and any such Indebtedness that ranks *pari passu* with the Exchange Notes), and any additional Excess Proceeds will not be subject to this Section 4.22 and will be permitted to be used for any purpose otherwise permitted hereunder in the Company's discretion.

The Company may, at its option, satisfy the foregoing obligations with respect to any net proceeds from an Asset Sale by making an Asset Sale Offer with respect to such net proceeds prior to the date required by this Indenture with respect to all or a part of the net proceeds. An Asset Sale Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of this Indenture, Exchange Notes and/or Exchange Note Guarantees. The provisions under this Indenture relative to the Company's obligations to make an offer to repurchase the Exchange Notes as a result of an Asset Sale may be waived or modified with the written consent of the Required Holders.

The Parent Guarantors, the Company or the applicable Restricted Subsidiary will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with this Section 4.22, the Parent Guarantors, the Company or the applicable Restricted Subsidiary will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.22 by virtue of such conflict.

Section 4.23 *Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries*. Neither the Parent Guarantors nor the Company will, and they will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to:

(a) pay dividends or make any other distributions on its Capital Stock to the Parent Guarantors, the Company or any of the Restricted Subsidiaries, or pay any Indebtedness owed to the Parent Guarantors, the Company or any of the Restricted Subsidiaries;

(b) make loans or advances to the Parent Guarantors, the Company or any of the Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Parent Guarantors, the Company or any of the Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(a) contractual encumbrances or restrictions in effect on the Issue Date, including, without limitation, pursuant to Indebtedness in existence on the Issue Date;

(b) this Indenture, the Stub Notes Indenture, the Refinancing Notes Indenture, and the Collateral Documents;

(c) Finance Lease Obligations, Purchase Money Indebtedness or other obligations permitted under Section 4.08(b) that, in each case, impose restrictions of the nature discussed in clause (c) above in the first paragraph of this Section 4.23 on the property so acquired;

(d) applicable law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person acquired by the Parent Guarantors, the Company or any Restricted Subsidiary in existence at the time of such acquisition (but not created in connection therewith or in contemplation thereof or to provide all or a portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(f) contracts for the sale of assets (including sale and lease back agreements), including without limitation, customary restrictions with respect to a Restricted Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary;

(g) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 4.08 and 4.21 that limits the right of the debtor to dispose of the assets securing such Indebtedness;

(h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or other restrictions on cash or deposits constituting Permitted Liens;

(i) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business;

(j) customary provisions contained in leases, subleases, licenses, sublicensor asset sale agreements and other agreements;

(k) other Indebtedness or Preferred Stock, in each case, that is incurred subsequent to the Issue Date pursuant to this Indenture; *provided*, that in the good faith judgment of the board of directors of the Ultimate Parent or the Company, any such encumbrance or restriction contained in such Indebtedness shall not prohibit (except upon a default or event of default thereunder) the payment of dividends in an amount sufficient, as determined by the board of directors of the Ultimate Parent or the Company in good faith, to make scheduled cash payments on the Exchange Notes when due; and

(l) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) of the first paragraph above imposed by any amendments, modifications, restatements,

renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (k) above; *provided* that the encumbrances or restrictions imposed by such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the board of directors of the Ultimate Parent or the Company, not materially more restrictive than encumbrances and restrictions contained in such predecessor agreements and do not affect the Company's and the Guarantors' ability, taken as a whole, to make payments of interest and scheduled payments of principal in respect of the Exchange Notes, in each case as and when due.

For purposes of determining compliance with this Section 4.23, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock will not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans or advances made to a Parent Guarantor, the Company or a Restricted Subsidiary to other Indebtedness incurred by a Parent Guarantor, the Company or any such Restricted Subsidiary will not be deemed a restriction on the ability to make loans or advances.

Section 4.24 *Loyalty Programs*.

(a) The Issuer agrees to honor (or cause LifeMiles to honor) Currency according to the policies and procedures of the Loyalty Program in effect from time to time except to the extent that would not reasonably be expected to cause a Material Adverse Effect;

(b) The Issuer shall take (or cause any of the Restricted Subsidiaries to take) any action permitted that it, in its reasonable business judgment, determines is advisable, in order to diligently and promptly (i) enforce its rights and any remedies available to it under the LifeMiles Agreements in effect from time to time, (ii) perform its obligations under the LifeMiles Agreements in effect from time to time and (iii) cause the applicable counterparties to perform their obligations under the related LifeMiles Agreements in effect from time to time, including such counterparties' obligations, as applicable, to make payments to and indemnify the Issuer (or the Restricted Subsidiary, as applicable) in accordance with the terms thereof in each case except to the extent that would not reasonably be expected to cause a Material Adverse Effect;

(c) The Issuer shall not substantially reduce the Loyalty Program business or modify the terms of the Loyalty Program in any manner that would reasonably be expected to cause a Material Adverse Effect;

(d) The Issuer shall not and shall not permit any of the Restricted Subsidiaries to change the policies and procedures of the Loyalty Program in any manner that would reasonably be expected to cause a Material Adverse Effect; and

(e) The Issuer shall not, and shall not permit any of its Subsidiaries to, establish, create, or operate any Loyalty Program, other than the Loyalty Program in effect on the Issue Date, unless: (x) substantially all (i) such Loyalty Program cash payments (which excludes, for the avoidance of doubt, airline revenues such as ticket sales and baggage fees), (ii) accounts in which such cash payments are deposited, (iii) intellectual property and member data (but solely to the

extent that such intellectual property and member data would be included in the scope of the IP Pledge), and (iv) material third-party co-branding, partnering or similar agreements, including airline-to-airline frequent flyer program agreements related to or entered into in connection with such Loyalty Program, intercompany agreements and other property concerning the operation of such Loyalty Program are pledged to the applicable Collateral Trustee as Collateral on a first lien basis on terms consistent with the terms in effect on the Issue Date or required to be granted thereafter pursuant to Section 4.13 and (y) such Loyalty Program would be on terms substantially similar to those of the Loyalty Program as of the Issue Date or otherwise acceptable to the Required Holders; *provided* that, for the avoidance of doubt, nothing shall prohibit the Ultimate Parent, the Issuer or any of their respective Subsidiaries from offering and providing discounts or other incentives for flights and/or goods and services.

Section 4.25 *Limitation on Sale and Leaseback Transactions*. The Issuer shall not, or shall permit any of the Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Issuer or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction: (A) in connection with the financing of any aircraft, engines or spare parts, or (B) in connection with any assets other than aircraft, engines or spare parts, if: (a) the Issuer or such Restricted Subsidiary, as the case may be, could have (i) incurred Indebtedness in an amount equal to the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS relating to such Sale and Leaseback Transaction pursuant to Section 4.08 and (ii) incurred a Lien to secure such Indebtedness pursuant to Section 4.21; and (b) the gross cash proceeds of such Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction.

Section 4.26 *Listing*.

(a) The Issuer shall use commercially reasonable efforts to list the Exchange Notes before the first Interest Payment Date on a stock exchange that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007 and shall use commercially reasonable best efforts to maintain such listing; *provided*, *however*, that the Issuer may delist the Exchange Notes from such exchange in accordance with the rules of such exchange and seek an alternative admission to listing, trading and/or quotation for the Exchange Notes on a different section of such exchange or by such other listing authority, stock exchange that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007, as the Issuer's board of directors may decide. The Issuer shall promptly notify the Trustee in writing if the Exchange Notes become listed on any stock exchange and of any delisting of the Exchange Notes from any stock exchange.

ARTICLE 5

CONSOLIDATION, MERGER, SPIN-OFF (ESCISIÓN) OR TRANSFER

Section 5.01 *Limitation on Consolidation, Merger, Spin-Off (escisión) or Transfer of Assets.* None of the Issuer or any Guarantor will consolidate with or merge with or into, or spinoff (*escindirse*), or sell, convey, transfer or dispose of, or lease all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to, any Person, except that

(a) a Guarantor may merge with or into, or spin-off (*escindirse*), or sell, convey, transfer or dispose of, or lease all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to, any Person if:

(1) the resulting, surviving or transferee Person (if not the Issuer or such Guarantor) will be a Person organized and existing under the laws of England and Wales, the United Kingdom, Colombia, the United States of America, any State thereof or the District of Columbia, the laws of the jurisdiction under which such Guarantor was organized or any other country whose long-term debt has a Minimum Rating as of the effective date of such transaction, and such Person expressly assumes, by a supplemental indenture to this Indenture and supplements to the Collateral Documents, executed and delivered to the Trustee and the applicable Collateral Trustee, all obligations of such Guarantor under the Exchange Notes, the Exchange Note Guarantees, this Indenture and the Collateral Documents, as applicable;

(2) immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing; and

(3) the Company will have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel from independent legal counsel, each stating that such merger, sale, conveyance, spin-off, transfer, disposal or lease and such supplemental indenture and supplements to the Collateral Documents, if any, comply with this Indenture and the Collateral Documents;

provided that (i) clause (1) shall not apply to any merger, sale, conveyance, or spin-off, transfer, disposal of a Guarantor or lease of all of a Guarantor's assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, with or to any person that is not an Affiliate of the Issuer or Guarantor so long as such transaction or series of related transactions does not constitute all or substantially all of the Issuer's and Guarantors' assets as an entirety or substantially as an entirety and (ii) clause (2) shall not apply to the consolidation or merger of any Guarantor with or into the Issuer or any other Guarantor, as applicable; and

(b) the Issuer may merge with or into, or spin-off (*escindirse*), or sell, convey, transfer or dispose of, or lease all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to, any Person if:

(1) the resulting, surviving or transferee Person will be a Person organized and existing under the laws of England and Wales, and such Person expressly assumes, by a supplemental indenture to this Indenture and supplements to the Collateral Documents, executed and delivered to the Trustee and the applicable Collateral Trustee, all obligations of the Issuer under the Exchange Notes, this Indenture and the Collateral Documents, as applicable;

(2) immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing;

(3) the Issuer could incur U.S.$1.00 of additional Indebtedness pursuant to Section 4.08(a), on a pro forma basis taking into account such transaction; and

(4) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel from independent legal counsel, each stating that such merger, sale, conveyance, spin-off, transfer, disposal or lease and such supplemental indenture and supplements to the Collateral Documents, if any, comply with this Indenture and the Collateral Documents.

(c) In addition and notwithstanding clauses (a) and (b) of this Section 5.01, the Ultimate Parent, any other Parent Guarantor, the Issuer or any Restricted Subsidiary, may undertake a Permitted Reorganization.

The Trustee shall be entitled to conclusively rely with no liability therefor on and shall accept such Officers' Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in this Section 5.01, in which event it shall be conclusive and binding on the Holders.

Section 5.02 *Successor Substituted.* Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Issuer or any Guarantor in accordance with Section 5.01 in which the Issuer or such Guarantor is not the continuing obligor or Guarantor, as the case may be, under this Indenture, the surviving or transferee Person shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer or such Guarantor, as the case may be, under this Indenture with the same effect as if such successor had been named as the Issuer or Guarantor herein. When a successor assumes all the obligations of its predecessor under this Indenture, the Exchange Notes and the Exchange Note Guarantee, the predecessor shall be released from those obligations; *provided* that in the case of a transfer by lease, the predecessor shall not be released from the payment of principal and interest on the Exchange Notes.

ARTICLE 6

EVENTS OF DEFAULT AND REMEDIES

Section 6.01 *Events of Default.* The term "**Event of Default**" means, when used herein, any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to, or as a result of any failure to obtain, any authorization, order, rule, regulation, judgment or decree of any governmental or administrative body or court):

(a) any default in any payment of interest (including any related Additional Amounts) on any Exchange Note when the same becomes due and payable, and such default continues for a period of 30 days;

(b) any default in the payment of principal of or premium on (including any related Additional Amounts) any Exchange Note when the same becomes due and payable upon acceleration or redemption or otherwise;

(c) a Parent Guarantor, the Issuer or a Guarantor fails to comply with any of their covenants or agreements in the Exchange Notes, Exchange Note Guarantees, this Indenture or the Collateral Documents (other than those referred to in (a) and (b) above), and such failure

continues for 60 days after the Company's receipt of the notice specified below; *provided* that in the case of a failure to comply with Section 4.06 within the first 18 months after the Issue Date, such period of continuance of such default or breach shall be 120 days after receipt of such written notice;

(d) a Parent Guarantor, the Company or any Significant Subsidiary defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by a Parent Guarantor, the Company or any such Significant Subsidiary (or the payment of which is guaranteed by the Company or any such Significant Subsidiary) whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if (A) such default either (1) results from the failure to pay any such Indebtedness at its stated maturity (after giving effect to any applicable grace periods) or (2) relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity and (B) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, totals U.S.$50,000,000 (or the equivalent thereof at the time of determination) or more in the aggregate;

(e) one or more final judgments or decrees for the payment of money of U.S.$50,000,000 (or the equivalent thereof in other currencies at the time of determination) or more in the aggregate (to the extent not covered by an insurance policy or policies issued by insurance companies with sufficient financial resources to perform their obligations under such policies) are rendered against a Parent Guarantor, the Company or any Significant Subsidiary and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged and, in the case of each such judgment or decree, there is a period of 60 days after such judgment becomes final during which such judgment or decree is not discharged, waived or the execution thereof stayed and, in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(f) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(1) is for relief against a Parent Guarantor, the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, in an involuntary case;

(2) appoints a custodian of a Parent Guarantor, the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of the Restricted Subsidiaries; or

(3) orders the liquidation of a Parent Guarantor, the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken

together, would constitute a Significant Subsidiary and the order or decree remains unstayed and in effect for 60 consecutive days;

(g) a Parent Guarantor, the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:

(1) commences a voluntary case;

(2) consents to the entry of an order for relief against it in an involuntary case;

(3) consents to the appointment of a custodian of it or for all or substantially all of its property;

(4) makes a general assignment for the benefit of its creditors; or

(5) admits in writing its inability generally to pay its debts;

(h) the Exchange Note Guarantee of a Parent Guarantor or a Significant Subsidiary that is a Guarantor or any group of Subsidiaries that are Guarantors and that, taken together as of the date of the most recent audited financial statements of the Company, would constitute a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms hereof) or a Parent Guarantor or any such Guarantor or group of Guarantors denies or disaffirms its obligations under this Indenture or any such Exchange Note Guarantee, other than by reason of the release of the Exchange Note Guarantee in accordance with the terms of Section 10.09;

(i) (x) the Liens created by the Collateral Documents shall at any time cease to constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (unless perfection is not required by the Indenture or the Collateral Documents) other than (A) in accordance with the terms of the relevant Collateral Document and the Indenture, (B) the satisfaction in full of all obligations under the Indenture or (C) any loss of perfection that results from the failure of the applicable Collateral Trustee to maintain possession of certificates delivered to it representing securities pledged under the Collateral Documents and (y) such default continues for 30 days after receipt of written notice given by the Trustee or the holders of not less than 25% in aggregate principal amount of the then Outstanding Exchange Notes; provided that such default relates to Liens in excess of U.S.$25,000,000;

(j) unless all the Collateral has been released from the Liens in accordance with the provisions of the Collateral Documents, the Company shall assert or a Parent Guarantor or any Guarantor that is a Significant Subsidiary (or any group of Subsidiaries that are Guarantors and that, taken together as of the date of the most recent audited financial statements of the Company, would constitute a Significant Subsidiary) shall assert, in any pleading in a court of competent jurisdiction, with respect to any Collateral, that any such security interest is invalid or unenforceable.

A Default under clause (c) of this Section 6.01 shall not constitute an Event of Default until the Company shall have received from the Trustee (acting solely at the written discretion of the

Holders of not less than 25% in principal amount of the Exchange Notes then outstanding) or the Holders of at least 25% in principal amount of the Exchange Notes written notice of such Default and the Company does not cure such Default within 60 days after receipt of such notice.

An Event of Default under clause (d) of this Section 6.01 and all consequences thereof shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders of the Exchange Notes, if within 20 days after such Event of Default arose:

(1) the Indebtedness that is the basis for such Event of Default has been discharged;

(2) holders of such Indebtedness have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3) the default that is the basis for such Event of Default has been cured.

As long as the insolvency laws of the jurisdiction in which a Parent Guarantor, the Issuer or any Significant Subsidiary or Guarantor are organized provide for restrictions on or sanctions associated with the ability of the Trustee or the Holders of the Exchange Notes to, directly or indirectly, exercise the right to declare an Event of Default under clause (f) and (g), nothing in clause (f) and (g) shall (1) prevent the commencement of any reorganization proceeding in such jurisdiction, whether voluntary or involuntary, in respect of a Parent Guarantor, the Issuer or any Significant Subsidiary or Guarantor, (2) prohibit a Parent Guarantor, the Issuer or Significant Subsidiary from entering into a reorganization proceeding, or (3) cause an unfavorable effect (*efecto desfavorable*) upon a Parent Guarantor, the Issuer or any Significant Subsidiary or Guarantor.

Section 6.02 *Acceleration of Maturity, Rescission and Amendment*.

(a) If an Event of Default (other than an Event of Default specified in Section 6.01(f) or Section 6.01(g)) occurs and is continuing, the Trustee (acting solely at the written direction of the Holders of not less than 25% in principal amount of the Exchange Notes then Outstanding) or the Holders of not less than 25% in principal amount of the Outstanding Exchange Notes may declare all unpaid principal of and accrued and unpaid interest on all Exchange Notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee, if the notice is given by the Holders), stating that such notice is an "acceleration notice," and upon any such declaration such amounts shall become due and payable immediately. If an Event of Default specified in Section 6.01(f) or Section 6.01(g) occurs and is continuing, then the principal of and accrued and unpaid interest on all Exchange Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder; *provided* that, under applicable law, such acceleration would not result in subordination of the claim, in which case the Exchange Notes may only be accelerated upon the vote of the Required Holders.

(b) At any time after a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided in this Article, the Required Holders by written notice to the Company and the Trustee may rescind or annul such declaration if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on Outstanding Exchange Notes, (B) all unpaid principal of the Exchange Notes that has become due otherwise than by such declaration of acceleration, (C) to the extent that payment of such interest on the Exchange Notes is lawful, interest on such overdue interest (including any Additional Amounts) as provided herein and (D) all sums paid or advanced by the Trustee and Agents hereunder and the reasonable compensation, expenses, disbursements and advances of, and indemnity due to, the Trustee and Agents and their agents and counsel; and

(2) all Events of Default have been cured or waived as provided in Section 6.13 other than the nonpayment of principal that has become due solely because of acceleration.

(c) An Event of Default under Section 6.01(d) and all consequences thereof shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders of the Exchange Notes, if within 20 days after such Event of Default arose:

(1) the Indebtedness that is the basis for such Event of Default has been discharged;

(2) Holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3) the default that is the basis for such Event of Default has been cured.

(d) No rescission pursuant to this Section 6.02 shall affect any subsequent Default or Event of Default or impair any right consequent thereto.

(e) Upon (i) the acceleration of amounts due under the Exchange Notes in accordance with the this Section 6.02 or (ii) the occurrence of any of the Events of Default under Section 6.01(a), (b), (f), (g), (h), (i) or (j) (each, an "**Enforcement Event**"), the applicable Collateral Trustee shall be entitled to vote the pledged shares.

Section 6.03 *Collection Suit by Trustee.* If an Event of Default specified in Section 6.01(a) or 6.01(b) occurs, the Trustee, in its own name as trustee of an express trust (acting solely at the written direction of the Holders of not less than 25% in principal amount of the Exchange Notes then Outstanding), (i) shall institute a judicial proceeding for the collection of the whole amount then due and payable on such Exchange Notes for principal and interest (including Additional Amounts), and interest on any overdue principal and, to the extent that payment of such interest (including Additional Amounts) shall be legally enforceable, upon any overdue installment of interest (including Additional Amounts), at the rate borne by the Exchange Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, indemnities, disbursements and advances of the Trustee, its agents and counsel, (ii) shall prosecute such proceeding to judgment or final decree and (iii) shall enforce the same against the Company or any other obligor upon the Exchange Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor under the Exchange Notes, wherever situated.

If an Event of Default occurs and is continuing, the Trustee shall (acting solely at the written direction of the Holders of not less than 25% in principal amount of the Exchange Notes then Outstanding) proceed to protect and enforce its rights and the rights of the Holders by any available proceeding at law or in equity, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture), the Trustee shall be held to represent all the Holders, and it shall not be necessary to make any Holder a party to any such proceedings.

Section 6.04 *Other Remedies.* If an Event of Default occurs and is continuing, the Trustee shall (acting solely at the written direction of the Holders of not less than 25% in principal amount of the Exchange Notes then Outstanding) pursue any available remedy to collect the payment of principal of or interest (including Additional Amounts) on the Exchange Notes or to enforce the performance of any provision of the Exchange Notes or this Indenture. For the purpose of enabling the applicable Collateral Trustee to exercise rights and remedies hereunder at such time as the applicable Collateral Trustee shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Issuer and each Guarantor hereby grants to the applicable Collateral Trustee, an irrevocable, non-exclusive, worldwide, royalty-free (and free of any other obligation of payment) license to use, assign, license or sublicense any of the intellectual property subject to IP Pledge now owned, licensed or hereafter acquired by the Issuer or such Guarantor.

Section 6.05 *Trustee May Enforce Claims Without Possession of Exchange Notes.* All rights of action and claims under this Indenture or the Exchange Notes may be prosecuted and enforced by the Trustee without the possession of any of the Exchange Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Exchange Notes in respect of which such judgment has been recovered.

Section 6.06 *Application of Money Collected.* Subject to any applicable Collateral Trust Agreement and any Applicable Intercreditor Agreement, any money collected by the Trustee (or the Principal Paying Agent on behalf of the Trustee) pursuant to this Article 6 shall be applied in the following order:

FIRST: ratably to the Trustee, the Registrar, the Transfer Agent, the Principal Paying Agent and each Collateral Trustee for amounts due to it hereunder (including, without limitation, under Section 7.06);

SECOND: to Holders for amounts due and unpaid on the Exchange Notes for principal and interest (including Additional Amounts), ratably, without preference or priority of any kind, according to the amounts due and payable on the Exchange Notes for principal and interest (including Additional Amounts), respectively; and

THIRD: to the Company or, to the extent the Trustee or a Paying Agent collects any amounts from any Guarantor, to such Guarantor or as a court of competent jurisdiction may direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.06. At least 15 days before such record date, the Company shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

Section 6.07 *Limitation on Suits*. A Holder may not pursue any remedy with respect to this Indenture or the Exchange Notes unless:

(1) the Holder has previously given to the Trustee written notice stating that an Event of Default has occurred and is continuing;

(2) the Holders of at least 25% in principal amount of the Exchange Notes have made a written request to the Trustee to pursue the remedy in respect of such Event of Default;

(3) such Holder or Holders has offered and provided to the Trustee security or indemnity reasonably satisfactory to the Trustee against any cost, loss, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and provision of security or indemnity; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Required Holders.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.08 *Rights of Holders to Receive Principal and Interest.* Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on the Exchange Notes held by such Holder, on or after the respective Payment Dates expressed in the Exchange Notes, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.09 *Restoration of Rights and Remedies.* If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Guarantors, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 6.10 *Trustee May File Proofs of Claim.* The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due to the Trustee

hereunder) and the Holders allowed in any judicial proceedings relative to the Company or any Guarantor, their respective creditors or their respective properties and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.06. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Exchange Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.11 *Delay or Omission Not Waiver.* No delay or omission of the Trustee or of any Holder of any Exchange Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 6.12 *Control by Holders.* The Required Holders may direct in writing the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee shall be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of the Holders if such request or direction conflicts with any law or with this Indenture or, subject to Section 7.01, if the Trustee determines it is unduly prejudicial to the rights of other Holders (it being understood that, subject to Sections 7.01 and 7.02, the Trustee shall have no duty to ascertain whether or not such actions or forbearance are unduly prejudicial to such Holders) or would involve the Trustee in personal liability or expense; *provided*, *however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such request or direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all costs, losses, liabilities and expenses caused by taking or not taking such action. To the extent that the Trustee acts at the direction of the Holders under a Trust Mandate or the Trustee directs the Collateral Trustee under a Trust Mandate, it shall mean that the Trustee acts solely at the written direction of the Holders of not less than 25% in principal amount of the Exchange Notes then Outstanding. In the event the Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders, each representing less than the Required Holders, the Trustee shall take such action as requested by the Holders representing the greatest principal amount of the Outstanding Exchange Notes in the aggregate, notwithstanding any other provisions of this Indenture.

Section 6.13 *Waiver of Past Defaults and Events of Default.* Subject to Section 6.02, the Required Holders by written notice to the Trustee may waive an existing Default or Event of Default and its consequences except (i) a Default or Event of Default in the payment of the principal of or interest on an Exchange Note or (ii) a Default or Event of Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Holder affected.

When a Default or Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any consequent right.

Section 6.14 *Rights and Remedies Cumulative.* Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Exchange Notes in Section 2.08, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.15 *Waiver of Stay or Extension Laws.* The Issuer and each Guarantor covenant (to the extent that it may lawfully do so) that it shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture or the Exchange Notes; and the Issuer and each Guarantor (to the extent that it may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

TRUSTEE AND AGENTS

Section 7.01 *Duties of Trustee and Agents*.

(a) If an Event of Default of which a Responsible Officer of the Trustee has actual knowledge has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default in the case of the Trustee only of which a Responsible Officer of the Trustee has actual knowledge, (i) the Trustee and each Agent undertake to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee or any Agent; and (ii) in the absence of bad faith on the part of the Trustee or any Agent, the Trustee or such Agent, as the case may be, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee or such Agent, as the case may be, and conforming to the requirements of this Indenture. However, in the case of any certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee or any Agent, the Trustee or such Agent, as the case may be, shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of the mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own gross negligence, bad faith or willful misconduct, except that:

(1) this Section 7.01(c) does not limit the effect of Section 7.01(b);

(2) neither the Trustee nor any Agent shall be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee or such Agent, as the case may be, was grossly negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.07 or exercising any trust or power conferred upon it under this Indenture.

(d) Neither the Trustee nor any Agent shall be liable for interest on any money received by it except as each may agree in writing with the Company.

(e) Money held in trust by the Trustee or any Agent need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee or any Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds and/or adequate indemnity against such risk or liability is not satisfactorily assured to it.

(g) The Trustee and any Agent shall be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of the holders if such request or direction conflicts with any law or with this Indenture or, subject to the terms of this Indenture, if the Trustee or applicable Agent determines it is unduly prejudicial to the rights of other holders or would involve Trustee or applicable Agent in personal liability or expense; *provided*, *however*, that Trustee or applicable Agent may, but shall not be obliged to, take any other action deemed proper by Trustee or applicable Agent that is not inconsistent with such request or direction.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee and any Agent shall be subject to the provisions of this Section 7.01.

Section 7.02 *Rights of Trustee*.

(a) The Trustee and each Agent may rely upon, and shall be protected in acting or refraining from acting based upon, any document believed by it to be genuine and to have been signed or presented by the proper Person. Neither the Trustee nor any Agent need investigate any fact or matter stated in any such document.

(b) Before the Trustee or any Agent acts or refrains from acting, it may require an Officers' Certificate, the written advice of a qualified tax expert or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate, the qualified tax expert's written advice or Opinion of Counsel.

(c) The Trustee or any Agent may act through agents and shall not be responsible for the willful misconduct or gross negligence of any agent appointed with due care.

(d) Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate of the Company (unless other evidence in respect thereof be herein specifically prescribed).

(e) Neither the Trustee nor any Agent shall be under an obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee or such Agent security or indemnity reasonably satisfactory to the Trustee or such Agent, as applicable, against the costs, expenses and liabilities that might be incurred thereby.

(f) Neither the Trustee nor any Agent shall be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; *provided* that the conduct of the Trustee or any such Agent does not constitute gross negligence.

(g) Each of the Trustee and any Agent may consult with counsel, and the written legal advice or opinion of counsel which has been documented and retained by the Trustee or applicable Agent on its files with respect to legal matters relating to this Indenture and the Exchange Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with such written advice or opinion of such counsel which has been documented and retained by the Trustee or applicable Agent.

(h) Neither the Trustee nor any Agent shall be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document unless, in the case of the Trustee, requested in writing by the Required Holders; *provided* that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not satisfactorily assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require from the Holders indemnity satisfactory to the Trustee against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such investigation shall be paid by the Company or, if paid by the Trustee, shall be reimbursed by the Company upon demand.

(i) Neither the Trustee nor any Paying Agent shall be required to invest, or shall be under any liability for interest, on any moneys at any time received by it pursuant to any of the provisions of this Indenture or the Exchange Notes except as the Trustee or any Paying Agent may otherwise agree with the Company. Such moneys need not be segregated from other funds except to the extent required by mandatory provisions of law.

(j) In no event shall the Trustee or any Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits) regardless of whether or not such damages were foreseeable or

contemplated, even if the Trustee has been advised of the likelihood of such loss or damage and the form of action.

(k) The permissive rights of the Trustee enumerated herein shall not be construed as duties of the Trustee, and the Trustee shall not be answerable for other than its own gross negligence or willful misconduct in the performance or omission or any such act.

(l) The rights, privileges, protections, immunities and benefits given to the Trustee hereunder, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each of its Responsible Officers, agents, custodians and other Persons employed to act hereunder as if they were each expressly set forth herein for the benefit of the Trustee in each such capacity, Responsible Officer, agent, custodian, other Person or employee of the Trustee, mutatis mutandis. Each Collateral Trustee shall be subject to a prudent person standard either before, in or during an Event of Default.

(m) Neither the Trustee nor any Agent shall be required to take notice or be deemed to have notice or knowledge of any fact, event, Default or Event of Default unless a Responsible Officer of the Trustee or applicable Agent with direct responsibility for this Indenture shall have received written notice of such fact, event, Default or Event of Default or obtained actual knowledge thereof, it being understood that any lawsuit or other notice provided in accordance with the terms of this Indenture or, in the case of the Collateral Trustees, the applicable Collateral Documents, shall be deemed to constitute such written notice received by a Responsible Officer of the Trustee or applicable Agent. In the absence of receipt of such written notice or actual knowledge, the Trustee and the Agents may conclusively assume there is no Default or Event of Default.

(n) Neither the Trustee nor the Agents shall have any duty (A) to see to any recording, filing, or depositing of this Indenture, (B) to see to any insurance or (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind.

(o) Neither the Trustee nor the Agents shall be required to give any bond or surety in respect of the powers granted hereunder.

(p) Delivery of reports, information and documents to the Trustee shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's or any other entity's compliance with any covenants under this Indenture, the Exchange Notes or any other related documents. Neither the Trustee nor the Agents shall be obligated to monitor or confirm, on a continuing basis or otherwise, the Company's or any other entity's compliance with the covenants described herein or with respect to any reports or other documents filed under this Indenture, the Exchange Notes or any other related document; *provided* that, upon receipt of any lawsuit or material notice from any Governmental Authority, the Issuer or any Guarantor or any third party that could adversely affect the legal rights of the Holders under this Indenture or the Exchange Notes, the Collateral or the Liens granted therein, the Trustee or applicable Agent shall notify the Holders thereof and seek written instructions related thereto.

(q) No provision of this Indenture or the Exchange Notes shall be deemed to impose any duty or obligation on the Trustee or the Agents to take or omit to take any action, or suffer any action to be taken or omitted, in the performance of its duties or obligations under this Indenture or the Exchange Notes, or to exercise any right or power thereunder, to the extent that taking or omitting to take such action or suffering such action to be taken or omitted would violate applicable law binding upon it (which determination may be based on the advice or opinion of counsel).

(r) Notwithstanding anything to the contrary herein, any and all email communications (both text and attachments) by or from the Trustee that the Trustee deems to contain confidential, proprietary, and/or sensitive information may be encrypted. The recipient (the "**Email Recipient**") of the encrypted email communication will be required to complete a registration process. Instructions on how to register and/or retrieve an encrypted message will be included in the first secure email sent by the Trustee to the Email Recipient.

(s) The Trustee and any Agent shall have the right to require that any directions, instructions or notices provided to it be signed by an Authorized Person (as hereinafter defined) or contain such other evidence as may be reasonably requested by the Trustee or Agent, as applicable, to establish the identity and/or signatures thereon. The identity of such Authorized Persons, as well as their specimen signatures, title, telephone number and e-mail address, may be delivered to the Trustee or such Agent in the list of authorized signers form and shall remain in effect until the applicable party, or an entity acting on its behalf, notifies the Trustee and the Agents of any change thereto (the person(s) so designated from time to time, the "**Authorized Persons**").

(t) Neither the Trustee nor any Collateral Trustee shall at any time have any responsibility or liability for or with respect to the legality, validity and enforceability of any Collateral, or the perfection and priority of any security interest created by or in any Collateral or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Collateral or its ability to generate the payments to be distributed to Holders under this Indenture, including, without limitation, the existence, condition and ownership of any Collateral; the existence and enforceability of any insurance thereon; the existence and contents of any Collateral on any computer or other record thereof; the validity of the assignment or sale of any Collateral to the Issuer or of any intervening assignment; the completeness of any Collateral; the performance or enforcement of any Collateral; the compliance by any Person with any warranty or representation made under any Collateral Document or in any related document or the accuracy of any such warranty or representation, or any action of any other Person taken in the name of the Issuer, the Trustee or any Collateral Trustee.

Section 7.03 *Individual Rights of Trustee and Agents.* The Trustee and any Paying Agent, Transfer Agent, Registrar or co-registrar, any Collateral Trustee, or any other agent of the Issuer or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Exchange Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee, the Transfer Agent, Paying Agent, Registrar or such other agent.

Section 7.04 *Trustee's Disclaimer.* Neither the Trustee nor any Agent shall be responsible for and makes no representation as to the validity, sufficiency or adequacy of this Indenture or the Exchange Notes, it shall not be accountable for the Issuer's use of the proceeds

from the Exchange Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the Exchange Notes or in the Exchange Notes other than the Trustee's certificate of authentication.

Section 7.05 *Notice of Defaults and Events of Default.* If a Default or Event of Default occurs and is continuing, and if it is known to a Responsible Officer of the Trustee or a Collateral Trustee or such Responsible Officer has received notice thereof, the Trustee or a Collateral Trustee, as applicable, shall mail to each Holder notice of the Default or Event of Default within 20 days after a Responsible Officer of the Trustee or Collateral Trustee, as applicable, has received written notice of such Default or Event of Default or obtained actual knowledge thereof. Any notice given in accordance with this Indenture or, in the case of a Collateral Trustee, applicable Collateral Documents, shall be deemed to constitute such written notice received by a Responsible Officer of the Trustee or applicable Agent. Except in the case of a Default or Event of Default in payment of principal of or interest on any Exchange Note, the Trustee may withhold the notice and shall be protected from withholding the notice if and so long as a committee of its Responsible Officers of the Trustee in good faith determines that withholding the notice is in the interests of Holders.

Section 7.06 *Compensation and Indemnity.* The Company agrees to pay to the Trustee and each Agent from time to time such compensation as shall be agreed upon in writing for its services. The Trustee's compensation shall not be limited by any law regarding compensation of a trustee of an express trust. The Company agrees to reimburse promptly the Trustee each Agent and their respective agents, counsel, accountants and experts upon request for all reasonable out-of-pocket expenses incurred or made by the Trustee, each Agent and their respective agents, counsel, accountants and experts, including costs of collection, in addition to the compensation for its services. Payments of any such expenses by the Company to the Trustee, any Agent, and their respective agents, counsel, accountants and experts, as the case may be, shall be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments, fees or other governmental charges of whatever nature (and any fines, penalties or interest related thereto) imposed or levied by or on behalf of the United Kingdom, Colombia or any political subdivision or authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Company shall pay to the Trustee or Agent, as the case may be, such Additional Amounts as may be necessary in order that every net payment made by the Company to the Trustee and such Agent, as the case may be, after deducting or withholding for or on account of any present or future tax, penalty, fine, duty, assessment or other governmental charge imposed upon or as a result of such payment by the United Kingdom, Colombia or any political subdivision or taxing authority thereof or therein shall not be less than the amount then due and payable to the Trustee or the Principal Paying Agent, as the case may be. The Company shall indemnify each of the Trustee each Agent and their respective agents, counsel, accountants and experts, against any and all loss, liability or expense (including reasonable attorneys' fees and expenses, including legal fees and expenses in connection with the enforcement of their indemnification rights hereunder) (whether brought by the Company, any Holder, or any third party) incurred by it without gross negligence or willful misconduct on its part arising out of and in connection with the administration of this Indenture, the performance of its respective duties hereunder, and the exercise of its rights hereunder including, without limitation, the costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties under this Indenture, the costs and expenses of enforcing the terms of this

Indenture, including the indemnification provided herein. The Company undertakes to indemnify the Trustee each of the Agents and their respective agents, counsel, accountants and experts, and their affiliates against all losses, liabilities, including any and all tax liabilities, which, for the avoidance of doubt, shall include both British and Colombian taxes and associated penalties, costs, claims, actions, damages, expenses or demands which any of them may incur or which may be made against any of them as a result of or in connection with the appointment of or the exercise of the powers and duties or rights by the Trustee or any Agent or its affiliates under this Indenture except as may result from its own, gross negligence or willful misconduct or that of its directors, officers or employees or any of them. The Trustee and each Agent shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee or such Agent to so notify the Company shall not relieve the Company of its obligations hereunder. If the Trustee or Agent, as the case may be, determines in its reasonable discretion that no conflict of interest (or potential conflict of interest) exists, the Company will be entitled to participate in the Trustee's defense of the claim or Agent's defense of the claim, as the case may be, but the Trustee or such Agent may have separate counsel and the Company shall pay the fees and expenses of such counsel.

To secure the payment obligations of the Company in this Section 7.06, the Trustee shall have a lien prior to the Exchange Notes on all money or property held or collected by the Trustee, the Principal Paying Agent or any Collateral Trustee, except that held in trust to pay principal of and interest on particular Exchange Notes.

The obligations of the Company pursuant to this Section 7.06 shall survive the payment of the Exchange Notes, resignation or removal of the Trustee or any Agent and the satisfaction and discharge of this Indenture. When the Trustee incurs expenses after the occurrence of a Default or Event of Default specified in Sections 6.01(f) and (g) hereof, the expenses are intended to constitute expenses of administration under any Bankruptcy Law.

The Company acknowledges that none of the Trustee, the Principal Paying Agent or any other Agent makes any representations as to the interpretation or characterization of the transactions herein undertaken for tax or any other purpose, in any jurisdiction. The Company represents that it has fully satisfied itself as to any tax impact of this Indenture before agreeing to the terms herein, and is responsible for any and all federal, state, local, income, franchise, withholding, value added, sales, use, transfer, stamp or other taxes imposed by any jurisdiction in respect of this Indenture.

The Company agrees to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Indenture by the Trustee or any Agent.

Section 7.07 *Replacement of Trustee.* The Trustee may resign at any time by so notifying the Issuer in writing. The Required Holders may remove the Trustee by so notifying the Trustee in writing and may appoint a successor Trustee. The Issuer shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.09;

(2) the Trustee is adjudged a bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property;

or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee) the Issuer shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer . Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders.

The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.06.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Holders of at least 10% of the Outstanding principal amount of the Exchange Notes may appoint or petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.09, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.07, the Company's obligation under Section 7.06 shall continue for the benefit of the retiring Trustee.

Section 7.08 *Successor Trustee by Merger*. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business (including this transaction) or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Exchange Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Exchange Notes so authenticated; and in case at that time any of the Exchange Notes shall not have been authenticated, any successor to the Trustee may authenticate such Exchange Notes in the name of the successor to the Trustee; and in all such cases such adopted certificates shall have the full force of all provisions within the Exchange Notes or in this Indenture relating to the certificate of the Trustee.

Section 7.09 *Eligibility; Disqualification*. The Trustee hereunder shall at all times be a corporation, bank or trust company organized and doing business under the laws of the United States or any state thereof (i) which is authorized under such laws to exercise corporate trust power, (ii) is subject to supervision or examination by governmental authorities and (iii) shall have at all

times a combined capital and surplus of at least U.S.$50,000,000 as set forth in its most recent published annual report of condition. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.09, it shall resign immediately in the manner and with the effect specified in Section 7.07.

ARTICLE 8

DISCHARGE OF INDENTURE; DEFEASANCE

Section 8.01 *Discharge of Liability on Notes*.

(a) When (i) the Issuer or any Guarantor delivers to the Trustee all Outstanding Exchange Notes (other than Exchange Notes replaced pursuant to Section 2.08) for cancellation or (ii) all Outstanding Exchange Notes have become due and payable and the Issuer or any Guarantor deposits in trust, for the benefit of the Holders, with the Principal Paying Agent finally collected funds sufficient to pay at Maturity all Outstanding Exchange Notes and interest thereon (other than Exchange Notes replaced pursuant to Section 2.08 and if in any such case the Issuer or any Guarantor pays all other sums payable hereunder by the Issuer or such Guarantor, then this Indenture, and the obligations of the Issuer and the Guarantors pursuant hereto, shall, subject to Sections 8.01(d) and 8.06, cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Issuer or any Guarantor accompanied by an Officers' Certificate and an Opinion of Counsel (each stating that all conditions precedent herein provided relating to the satisfaction and discharge of this Indenture have been complied with) and at the cost and expense of the Issuer or any Guarantor.

(b) Subject to Sections 8.01(c), 8.02 and 8.06, the Issuer or any Guarantor at any time may terminate (i) all of the Issuer's obligations under this Indenture, the Exchange Notes and the Collateral Documents ("**legal defeasance option**") or (ii) the obligations of the Issuer under Sections 4.02, 4.03, 4.04, 4.05, 4.07 through 4.24 and 5.01(ii) and 5.02, the operation of Sections 6.01(c), 6.01(d), 6.01(e), 6.01(i) and 6.01(j) ("**covenant defeasance option**"). The legal defeasance option may be exercised notwithstanding any prior exercise of the covenant defeasance option. Upon exercise by the Issuer or any Guarantor of the legal defeasance option or the covenant defeasance option, each Guarantor's obligations under its Exchange Note Guarantee will terminate.

If the legal defeasance option is exercised, payment of the Exchange Notes may not be accelerated because of an Event of Default with respect thereto. If the covenant defeasance option is exercised, payment of the Exchange Notes may not be accelerated because of an Event of Default specified in Sections 6.01(c), 6.01(d) or 6.01(e).

Upon satisfaction of the conditions set forth herein and upon request of the Issuer or any Guarantor, the Trustee shall acknowledge in writing the discharge of the obligations of the Issuer and the Guarantors hereunder except those specified in Section 8.01(c).

(c) Notwithstanding Section 8.01(a) and Section 8.01(b), Sections 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 4.06, 7.06, 7.07, 8.04, 8.05 and 8.06 shall survive until the Exchange Notes have been paid in full. Thereafter, the obligations of the Issuer and the Guarantors pursuant to

Sections 7.06, 7.07, 8.04 and 8.05 shall survive. Furthermore, each Guarantor's obligations to pay fully and punctually all amounts payable by the Issuer or any Guarantor to the Trustee under this Indenture shall survive.

Section 8.02 *Conditions to Defeasance.* The Issuer or a Guarantor may exercise the legal defeasance option or the covenant defeasance option only if:

(a) the Issuer or such Guarantor irrevocably deposits or causes to be deposited with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders (the "**defeasance trust**") pursuant to an irrevocable trust and security agreement in form and substance satisfactory to the Trustee, money or U.S. Government Obligations, or a combination thereof, sufficient for the payment of principal of and interest on all the Exchange Notes to Maturity or redemption;

(b) the Issuer or such Guarantor delivers to the Trustee a certificate from an internationally recognized firm of independent accountants expressing their opinion that the payments of principal of and interest on the Exchange Notes when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment and after payment of all federal, state and local taxes or other charges or assessments in respect thereof payable by the Trustee shall provide cash at such times and in such amounts as shall be sufficient to pay principal of and interest on all the Exchange Notes when due at Maturity or on redemption, as the case may be;

(c) no Default or Event of Default has occurred and is continuing on the date of such deposit and after giving effect thereto;

(d) the deposit does not constitute a default or event of default under any other agreement binding on the Issuer or Guarantor;

(e) the Issuer or such Guarantor delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is not qualified as, a regulated investment company under the U.S. Investment Company Act of 1940, as amended;

(f) the Issuer or such Guarantor delivers to the Trustee an Opinion of Counsel of recognized standing with respect to UK tax matters stating that, under UK law, Holders (other than UK Persons) (1) shall not recognize income, gain or loss for UK tax purposes as a result of such deposit and defeasance, (2) shall be subject to UK tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred and (3) payments from the defeasance trust to any such Holder shall not be subject to withholding or deduction for or on account of any taxes, duties, assessments or other governmental charges under UK law;

(g) in the case of the legal defeasance option, the Issuer or Guarantor delivers to the Trustee an Opinion of Counsel of recognized standing with respect to U.S. federal income tax matters stating that (1) the Issuer or such Guarantor has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (2) since the Issue Date there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based

thereon such Opinion of Counsel shall confirm that, the beneficial owners of the Exchange Notes shall not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and shall be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(h) in the case of the covenant defeasance option, the Issuer or such Guarantor delivers to the Trustee an Opinion of Counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the Exchange Notes shall not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and shall be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(i) the Issuer or such Guarantor delivers to the Trustee an Opinion of Counsel, in form and substance reasonably satisfactory to Trustee, to the effect that, as of the date of such opinion and subject to

(j) customary assumptions and exclusions following the deposit, the trust funds shall not be subject to any applicable bankruptcy, insolvency, reorganization or similar law affecting creditors' rights generally; and the Issuer or such Guarantor delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Exchange Notes as contemplated by this Article 8 have been complied with.

Before or after a deposit, the Issuer or any Guarantor may make arrangements satisfactory to the Trustee for the redemption of Exchange Notes at a future date in accordance with Article 3.

Section 8.03 *Application of Trust Money.* The Trustee or the Principal Paying Agent on behalf of the Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 8.02. It shall apply the deposited money and the money from U.S. Government Obligations through the Principal Paying Agent or Paying Agents and in accordance with this Indenture to the payment of principal of and interest on the Exchange Notes.

Section 8.04 *Repayment to Company.* Upon termination of the trust established pursuant to Section 8.02, the Trustee and each Paying Agent shall promptly pay to the Company upon request, any excess cash or U.S. Government Obligations held by them.

The Trustee and each Paying Agent shall pay to the Company, upon request, any money held by them for the payment of principal of or interest on the Exchange Notes that remains unclaimed for two years after the due date for such payment of principal or interest, and, thereafter, the Trustee and each Paying Agent, as the case may be, shall not be liable for payment of such amounts hereunder and the Holders shall be entitled to such recovery of such amounts only from the Company.

Section 8.05 *Indemnity for U.S. Governmental Obligations.* The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against

deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

Section 8.06 *Reinstatement.* If the Trustee or any Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or Governmental Authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Issuer and the Guarantors under this Indenture, the Exchange Notes and the Exchange Note Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or such Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 8; *provided*, *however*, that, if the Issuer or any Guarantor has made any payment of principal of or interest on any Exchange Notes because of the reinstatement of its obligations, the Issuer and the Guarantors shall be subrogated to the rights of the Holders of such Exchange Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or such Paying Agent.

ARTICLE 9

AMENDMENTS

Section 9.01 *Without Consent of Holders.* The Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the Exchange Notes, the Exchange Note Guarantees or the Collateral Documents without notice to or consent or vote of any Holder for the following purposes:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Section 5.01;

(3) to add to the covenants of the Issuer or the Guarantors for the benefit of the Holders;

(4) to surrender any right conferred upon the Issuer or the Guarantors;

(5) to evidence and provide for the acceptance of an appointment by a successor Trustee or collateral trustee;

(6) to provide for the issuance of Additional Exchange Notes permitted hereunder;

(7) to provide for any guarantee of the Exchange Notes, to secure the Exchange Notes or to confirm and evidence the release, termination or discharge of any guarantee of the Exchange Notes when such release, termination or discharge is permitted by this Indenture;

(8) to make any other change that does not adversely affect the legal rights or interests of the Holders, including, for the avoidance of doubt, to evidence and provide for the acceptance of an appointment (including by a successor) of a listing agent, registrar, paying agent or transfer agent in connection with a stock exchange listing;

(9) to comply with any applicable requirements of the SEC, including in connection with a required qualification of this Indenture under the U.S. Trust Indenture Act of 1939, as amended;

(10) to make, complete or confirm any grant of Collateral permitted or required by this Indenture or any of the Collateral Documents, or any release of Collateral pursuant to the terms of this Indenture or any of the Collateral Documents;

(11) to add additional assets as Collateral;

(12) to amend the Collateral Documents and/or enter into any Collateral Trust Agreement in a manner that does not adversely affect the legal rights or interest of the Holders;

(13) to conform the text of the Indenture (to the extent relating to Collateral or Collateral-related provisions), the Exchange Notes (to the extent relating to Collateral or Collateral-related provisions) or the Collateral Documents to the description of the Exchange Notes Collateral in the Exchange Offer Memorandum;

(14) to provide for the issuance of Exchange Notes, related guarantees thereof and liens securing the Exchange Notes; and

(15) to enter into any Applicable Intercreditor Agreement in the case of any Collateral Document, to include therein any legend required to be set forth therein pursuant to any Applicable Intercreditor Agreement or to modify such legend as required by any Applicable Intercreditor Agreement;

provided that the Company has delivered to the Trustee an Officers' Certificate stating that such amendment or supplement complies with the provisions of this Section 9.01.

Upon the written request of the Company and upon receipt by the Trustee of the documents described in Section 9.05, the Trustee shall join with the Issuer and the Guarantors in the execution of any supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects its own rights, duties or immunities under this Indenture or otherwise.

The Issuer and each Guarantor must consent to any amendment or supplement hereunder.

Section 9.02 *With Consent of Holders.* Except as specified in Section 9.01, the Issuer, the Guarantors and the Trustee, together, may amend or supplement this Indenture, the Exchange Notes or the Collateral Documents with the written consent of the Required Holders for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or modifying in any manner the rights of the Holders under this Indenture, and the Required Holders may, except as set forth below, waive any past Default or compliance with any provision of this Indenture; *provided*, *however*, that, without the consent of Holders of at least 90% in principal amount of the Outstanding Exchange Notes, any such amendment, waiver, supplement or other modification may not (i) release or have the effect of releasing or subordinating all or substantially all of the Liens securing the obligations under the Exchange

Notes or (ii) release all or substantially all of the value of the Exchange Note Guarantees; provided, further, that, without the consent of each Holder affected, an amendment or waiver may not:

(1) reduce the principal amount of or change the Stated Maturity of any payment on any Exchange Note;

(2) reduce the stated rate of any interest on any Exchange Note;

(3) reduce the amount payable upon the redemption of any Exchange Note or change the time at which any Exchange Note may be redeemed;

(4) change the currency for payment of principal of, or interest or any Additional Amounts on, any Exchange Note;

(5) impair the right to institute suit for the enforcement of any right to payment on or with respect to any Exchange Note;

(6) waive a Default or Event of Default in payment of principal of and interest on the Exchange Notes;

(7) reduce the principal amount of Exchange Notes whose Holders must consent to any amendment, supplement or waiver;

(8) make any change in this first paragraph of this Section 9.02; or

(9) contractually subordinate the Exchange Notes or the Exchange Note Guarantees in right of payment to any other obligations.

For the avoidance of doubt, Section 4.10 and related definitions may be amended, supplemented or waived with the consent of the Required Holders.

Upon the written request of the Company and upon the filing with the Trustee of evidence of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 9.05 hereof, the Trustee shall join with the Issuer and the Guarantors in the execution of such supplemental indenture but the Trustee shall not be obligated to enter into any such supplemental indenture which affects its own rights, duties or immunities under this Indenture or otherwise.

The Company shall mail to Holders prior written notice of any amendment or waiver proposed to be adopted under this Section 9.02.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or waiver under this Section 9.02 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment or waiver. The failure to give

such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment or waiver under this Section 9.02.

The Issuer and each Guarantor must consent to the amendment, supplement or waiver under this Section 9.02.

Section 9.03 *Revocation and Effect of Consents and Waivers*.

(a) A consent to an amendment or a waiver by a Holder of Exchange Notes shall bind the Holder and every subsequent Holder of that Exchange Note or portion of the Exchange Note that evidences the same debt as the consenting Holder's Exchange Note, even if notation of the consent or waiver is not made on the Exchange Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's Exchange Note or portion of the Exchange Note if the Trustee receives the written notice of revocation at least one Business Day prior to the date the amendment or waiver becomes effective. After it becomes effective, an amendment or waiver shall bind every Holder.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above. If a record date is fixed, then notwithstanding Section 9.03(a) those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

Section 9.04 *Notation on or Exchange of Exchange Notes.* If an amendment changes the terms of an Exchange Note, the Issuer may require the Holder to deliver the Exchange Note to the Trustee. If so instructed by the Issuer, the Trustee may place an appropriate notation on the Exchange Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuer so determines, the Issuer in exchange for the Exchange Note shall issue and the Trustee shall authenticate a new Exchange Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Exchange Note shall not affect the validity of such amendment.

Section 9.05 *Trustee to Sign Amendments.* The Trustee shall sign any amendment authorized pursuant to this Article 9 if the amendment, waiver or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. In signing such amendment, waiver or supplement, in addition to the documents required by Section 11.03, the Trustee shall be entitled to receive indemnity satisfactory to the Trustee and to receive, and, subject to Section 7.01, shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel each stating and as conclusive evidence that such amendment, waiver or supplemental indenture is authorized or permitted by this Indenture, that it is not inconsistent herewith, and that it shall be valid and binding upon the Issuer in accordance with its terms.

ARTICLE 10

GUARANTEES

Section 10.01 *The Exchange Note Guarantees.* Subject to the provisions of this Article 10, each Guarantor hereby irrevocably and unconditionally guarantees, jointly and severally, on a senior basis, secured by the Collateral, the full and punctual payment (whether at Stated Maturity, upon redemption, acceleration, or otherwise) of the principal of, premium, if any, and interest on, and all other amounts payable under, each Exchange Note, and the full and punctual payment of all other amounts payable by the Issuer under this Indenture. Upon failure by the Issuer to pay punctually any such amount, each Guarantor shall forthwith on demand pay the amount not so paid at the place and in the manner specified in this Indenture.

Section 10.02 *Guarantee Unconditional.* The obligations of each Guarantor hereunder are unconditional and absolute and, without limiting the generality of the foregoing, to the extent permitted by applicable law, will not be released, discharged or otherwise affected by:

(1) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Issuer under this Indenture or any Exchange Note, by operation of law or otherwise;

(2) any modification or amendment of or supplement to this Indenture or any Exchange Note;

(3) any change in the corporate existence, structure or ownership of the Issuer, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Issuer or its assets or any resulting release or discharge of any obligation of the Issuer contained in this Indenture or any Exchange Note;

(4) the existence of any claim, set-off or other rights which the Guarantor may have at any time against the Issuer, the Trustee or any other Person, whether in connection with this Indenture or any unrelated transactions; *provided* that nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim;

(5) any invalidity or unenforceability relating to or against the Issuer for any reason of this Indenture or any Exchange Note, or any provision of applicable law or regulation purporting to prohibit the payment by the Issuer of the principal of or interest on any Exchange Note or any other amount payable by the Issuer under this Indenture; or

(6) any other act or omission to act or delay of any kind by the Issuer, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to such Guarantor's obligations hereunder.

Section 10.03 *Discharge; Reinstatement.* Each Guarantor's obligations hereunder will remain in full force and effect until the principal of, premium, if any, and interest on the Exchange Notes and all other amounts payable by the Issuer under this Indenture have been paid in full. If at

any time any payment of the principal of, premium, if any, or interest on any Exchange Note or any other amount payable by the Issuer under this Indenture is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, each Guarantor's obligations hereunder with respect to such payment will be reinstated as though such payment had been due but not made at such time.

Section 10.04 *Waiver by the Guarantors.* To the extent permitted by applicable law, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Issuer or any other Person.

Section 10.05 *Subrogation and Contribution.* Upon making any payment with respect to any obligation of the Issuer under this Article 10, the Guarantor making such payment will be subrogated to the rights of the payee against the Issuer with respect to such obligation; *provided* that the Guarantor may not enforce either any right of subrogation, or any right to receive payment in the nature of contribution, or otherwise, from any other Guarantor, with respect to such payment so long as any amount payable by the Issuer hereunder or under the Exchange Notes remains unpaid.

Section 10.06 *Stay of Acceleration.* If acceleration of the time for payment of any amount payable by the Issuer under this Indenture or the Exchange Notes is stayed upon the insolvency, bankruptcy or reorganization of the Issuer, all such amounts otherwise subject to acceleration under the terms of this Indenture are nonetheless payable by the Guarantors hereunder forthwith on demand by the Trustee or the Holders.

Section 10.07 *Limitation on Guarantor Liability*.

(a) Notwithstanding anything to the contrary in this Indenture, each Guarantor, and by its acceptance of Exchange Notes, each Holder, hereby confirms that it is the intention of all such parties that the Exchange Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance under applicable fraudulent conveyance provisions (or in breach of similar concepts or other limitations) of the laws of Colombia, Costa Rica, El Salvador, Guatemala, Ecuador, Bahamas, Panama, the United Kingdom or the United States, or any other applicable jurisdiction. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 10, result in the obligations of such Guarantor under its Exchange Note Guarantee not constituting a fraudulent transfer or conveyance (or in breach of similar concepts or other limitations); and

Section 10.08 *Section 10.08 Execution and Delivery of Guarantee.* The execution by each Guarantor of this Indenture (or a supplemental indenture in the form of Exhibit B) evidences the Exchange Note Guarantee of such Guarantor, whether or not the Person signing as an officer of the Guarantor still holds that office at the time of authentication of any Exchange Note. The

delivery of any Exchange Note by the Trustee after authentication constitutes due delivery of the Exchange Note Guarantee set forth in this Indenture on behalf of each Guarantor.

Section 10.09 *Release of Guarantee.* The Exchange Note Guarantee of a Guarantor will terminate upon:

(1) Other than with respect to a Parent Guarantor, the sale or disposition of all or substantially all the assets of the Guarantor to a Person that is not an Affiliate in compliance with this Indenture;

(2) defeasance or discharge of the Exchange Notes, as provided in Article 8;

(3) the designation of such Guarantor as an Unrestricted Subsidiary in accordance with the terms of this Indenture; or

(4) other than with respect to a Parent Guarantor, upon the sale of a Guarantor to a Person that is not an Affiliate in compliance with this Indenture.

Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the foregoing effect, the Trustee will execute any documents reasonably requested by the Company in writing in order to evidence the release of the Guarantor from its obligations under its Exchange Note Guarantee.

ARTICLE 11

MISCELLANEOUS

Section 11.01 *Provisions of Indenture and Exchange Notes for the Sole Benefit of Parties and Holders of Exchange Notes.* Nothing in this Indenture or the Exchange Notes, expressed or implied, shall give to any Person other than the parties hereto and their successors hereunder and the Holders of the Exchange Notes any benefit or any legal or equitable right, remedy or claim under this Indenture or the Exchange Notes.

Section 11.02 *Notices.* Any request, demand, authorization, direction, notice, consent, waiver or other communication or document provided or permitted by this Indenture to be made upon, given, provided or furnished to, or filed with, any party to this Indenture shall, except as otherwise expressly provided herein, be in writing and shall be deemed to have been received only upon actual receipt thereof by prepaid first class mail, courier, telecopier or electronic transmission, addressed to the relevant party as follows:

To the Issuer and the Guarantors:

Calle 26#59-15,
Bogota, Colombia
Attention: Richard Galindo
richard.galindo@avianca.com

with copy to: notificaciones@avianca.com and natalia.gutierrez@avianca.com

To the Trustee, Registrar, Transfer Agent or Principal Paying Agent,

Wilmington Savings Fund Society, FSB
500 Delaware Avenue, 11th Floor
Wilmington, Delaware 19801
Attention: Corporate Trust – Raye Goldsborough – Avianca MidCo 2 PLC

To the Collateral Trustees:

GLAS Americas LLC
Attention: Corporate Trust – Avianca MidCo 2 PLC
3 Second Street, Suite 206
Jersey City, NJ 07311
Email: tmgus@glas.agency and clientservices.usadcm@glas.agency

Notices or communications to the Issuer and the Guarantors will be deemed given if given to the Company.

Any party by written notice to the other parties may designate additional or different addresses for subsequent notices or communications.

Where this Indenture provides for the giving of notice to Holders, such notice shall be sent by mail to the respective addresses of the holders as they appear in the Registrar's books, and such notices will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed to a Holder in the manner provided above, it is duly given, whether or not the addressee receives it.

Section 11.03 *Officers' Certificate and Opinion of Counsel as to Conditions Precedent.* Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture or any Collateral Document, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture or such Collateral Document, as applicable, relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 11.04 *Rules by Trustee, Registrar, Paying Agent and Transfer Agents*. The Trustee may name the time and the place and make reasonable rules for action by or a meeting of Holders.

The Registrar, the Paying Agent and the Transfer Agent may make reasonable rules for their functions.

Section 11.05 *Currency Indemnity.* U.S. Dollars are the sole currency of account and payment for all sums payable by the Issuer or the Guarantors under or in connection with the Exchange Notes or the Exchange Note Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than U.S. Dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by the Trustee or any Holder of an Exchange Note in respect of any sum expressed to be due to it from the Issuer or the Guarantors shall only constitute a discharge to the Issuer or the Guarantors, as the case may be, to the extent of the U.S. Dollar amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. Dollar amount is less than the U.S. Dollar amount expressed to be due to the recipient under any note, the Issuer and the Guarantors shall indemnify the Trustee or such Holder against any loss sustained by it as a result, and if the amount of U.S. Dollars so purchased is greater than the sum originally due to such Holder, such Holder shall, by accepting an Exchange Note, be deemed to have agreed to repay such excess. In any event, the Issuer and the Guarantors shall indemnify the recipient against the reasonable cost of making any such purchase.

For the purposes of this Section 11.05, it shall be sufficient for the Holder of an Exchange Note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. Dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of the Issuer and the Guarantors, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of an Exchange Note and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any note.

Section 11.06 *No Recourse Against Others.* No director, officer, employee or shareholder, as such, of the Issuer, the Guarantors or the Trustee shall have any liability for any obligations of the Issuer, the Guarantors or the Trustee, respectively, under this Indenture or the Exchange Notes or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting an Exchange Note, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the Exchange Notes.

Section 11.07 *Legal Holidays.* In any case where any Interest Payment Date or Redemption Date or date of Maturity of any Exchange Note shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Exchange Notes) payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date or Redemption Date or date of Maturity; *provided* that no interest shall accrue for the period from

and after such Interest Payment Date or Redemption Date or date of Maturity, as the case may be, on account of such delay.

Section 11.08 *Governing Law and Waiver of Jury Trial.* THIS INDENTURE, THE EXCHANGE NOTES AND THE EXCHANGE NOTE GUARANTEES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE EXCHANGE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.09 *Consent to Jurisdiction; Waiver of Immunities*.

(a) Each of the parties hereto hereby irrevocably submits to the non-exclusive jurisdiction of any New York state or U.S. federal court sitting in the Borough of Manhattan in The City of New York with respect to actions brought against it as a defendant in respect of any suit, action or proceeding or arbitral award arising out of or relating to this Indenture, the Exchange Notes, the Exchange Note Guarantees or any transaction contemplated hereby or thereby (a "**Proceeding**"), and irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each of the parties hereto irrevocably waives, to the fullest extent it may do so under applicable law, trial by jury and any objection which it may now or hereafter have to the laying of the venue of any such Proceeding brought in any such court and any claim that any such Proceeding brought in any such court has been brought in an inconvenient forum. The Issuer and each of the Guarantors irrevocably appoint Avianca Inc. (the "**Process Agent**"), located at 1670 NW 82nd Ave, Doral, Florida 33191, as its authorized agent to receive on behalf of it and its property service of copies of the summons and complaint and any other process which may be served in any Proceeding. If for any reason such Person shall cease to be such agent for service of process, the Issuer and each of the Guarantors shall forthwith appoint a new agent of recognized standing for service of process in the State of New York and deliver to the Trustee a copy of the new agent's acceptance of that appointment within 30 days.

(b) The Issuer and each of the Guarantors hereby irrevocably appoint the Process Agent as its agent to receive, on behalf of itself and its property, service of copies of the summons and complaint and any other process which may be served in any such suit, action or proceeding brought in such New York state or U.S. federal court sitting in the Borough of Manhattan in The City of New York. Such service shall be made by delivering by hand a copy of such process to the Issuer or any Guarantor, as the case may be, in care of the Process Agent at the address specified above. The Issuer and each of the Guarantors hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Failure of the Process Agent to give notice to the Issuer or any Guarantor, as the case may be, or failure of the Issuer or any Guarantor, as the case may be, to receive notice of such service of process shall not affect in any way the validity of such service on the Process Agent, the Issuer or the Guarantors. As an alternative method of service, the Issuer and each of the Guarantors also irrevocably consents to the service of any and all process in any such Proceeding by the delivery by hand of copies of such process to the Issuer or such Guarantor, as the case may be, at the address specified in Section 11.02 or at any other address previously furnished in writing by the Issuer or the Guarantors to the Trustee.

The Issuer and each of the Guarantors covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designation of the Process Agent above in full force and effect during the term of the Exchange Notes, and to cause the Process Agent to continue to act as such.

(c) Nothing in this Section 11.09 shall affect the right of any party, including the Trustee, any Agent or any Holder, to serve legal process in any other manner permitted by law or affect the right of any party to bring any action or proceeding against any other party or its property in the courts of any other competent jurisdiction.

(d) The Issuer and each of the Guarantors irrevocably agrees that, in any proceedings anywhere (whether for an injunction, specific performance or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from such proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, except to the extent required by applicable law, any such immunity being irrevocably waived, to the fullest extent permitted by applicable law. The Issuer and each of the Guarantors irrevocably agrees that, where permitted by applicable law, it and its assets are, and shall be, subject to such proceedings, attachment or execution in respect of its obligations under this Indenture or the Exchange Notes.

Section 11.10 *Successors and Assigns.* All covenants and agreements of the Issuer and the Guarantors in this Indenture, the Exchange Notes and the Exchange Note Guarantees shall bind their respective successors and assigns, whether so expressed or not. All agreements of the Trustee in this Indenture shall bind its successors.

Section 11.11 *Multiple Originals and Counterparts; Electronic Execution.* The parties may sign any number of copies of this Indenture, including in electronic .pdf format. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture. Delivery of an executed counterpart of a signature page of this Indenture by telecopy, e-mail, pdf, electronic signature or any other electronic means (e.g., "pdf", Docusign or "tif") shall be effective as delivery of a manually executed counterpart of this Indenture. The words "delivery," "execute," "execution," "signed," "signature," and words of like import in any document executed in connection herewith shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 11.12 *Severability Clause.* In case any provision in this Indenture or in the Exchange Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any term or provision hereof invalid or unenforceable in any respect.

Section 11.13 *Force Majeure.* In no event shall the Trustee nor any Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, lockouts, accidents, severe weather, floods, pandemics, epidemics, disease, acts of war or terrorism, civil or military disturbances or hostilities, nuclear or natural catastrophes or acts of God, any provision of any present or future law or regulation or of any Governmental Authority, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services or Federal Reserve Bank wire service; it being understood that the Trustee and such Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 11.14 *USA Patriot Act.* The parties hereto acknowledge that, in accordance with Section 326 of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as amended, modified or supplemented from time to time, the "**USA Patriot Act**"), the Trustee and the Collateral Trustees, like all financial institutions, are required to obtain, verify and record information that identifies each Person or legal entity that opens an account. The parties to this Agreement agree that they will provide the Trustee and the Collateral Trustees with such information as the Trustee or Collateral Trustees may request in order for the Trustee or Collateral Trustees to satisfy the requirements of the USA Patriot Act.

Section 11.15 *No Partnership or Joint Venture*. Nothing herein contained shall constitute a partnership between or joint venture by the parties hereto or constitute any party the agent of any other. No party shall hold itself out contrary to the terms of this Section and no party shall become liable by any representation, act or omission of the other contrary to the provisions hereof. This Indenture is not for the benefit of any third party and shall not be deemed to give any right or remedy to any such party whether referred to herein or not.

ARTICLE 12

COLLATERAL

Section 12.01 *Collateral Documents*.

(a) The due and punctual payment of the principal of, premium and interest (including Additional Amounts, if any) on the Exchange Notes when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of, premium and interest on the Exchange Notes and performance of all other obligations of the Company and the Guarantors to the Holders or the Trustee under this Indenture, the Exchange Notes, the Exchange Note Guarantees, and the Collateral Documents, according to the terms hereunder or thereunder, shall be secured as provided in the Collateral Documents, which define the terms of the Liens that secure the Company's and the Guarantors' respective obligations hereunder. The Trustee and the Company hereby acknowledge and agree that each Collateral Trustee holds the applicable Collateral in trust for the benefit of the Holders and the Trustee and pursuant to the terms of the Collateral Documents and any Collateral Trust Agreement, except as otherwise provided in any Collateral Document. Each Holder, by accepting an Exchange Note, consents and agrees to the

terms of the Collateral Documents and any Collateral Trust Agreement (in each case, including the provisions providing for the possession, use, release and foreclosure of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms, and authorizes and directs each Collateral Trustee and the Trustee, as applicable, to enter into (and for the Trustee to acknowledge, as applicable) the applicable Collateral Documents and any Collateral Trust Agreement and to perform its obligations and exercise its rights thereunder in accordance therewith. The Company shall deliver to applicable Collateral Trustee copies of all documents required to be filed pursuant to applicable Collateral Documents, and will do or cause to be done all such acts and things as may be reasonably required by the next sentence of this Section 12.01, to assure and confirm to the applicable Collateral Trustee the security interest in the applicable Collateral contemplated hereby, by the applicable Collateral Documents or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture, the Exchange Notes, and the Exchange Note Guarantees, according to the intent and purposes herein expressed. The Company shall, and shall cause the Guarantors to, take any and all actions and make all filings (including the filing of UCC financing statements, continuation statements and amendments thereto (or analogous procedures under the applicable laws in the relevant jurisdiction; provided that filings with the Colombian security interest registry (*Registro de Garantías Mobiliarias*) must be made by the applicable Collateral Trustee on behalf of the Holders as per applicable Colombian regulation)) required to cause the Collateral Documents to create and maintain, as security for the obligations of the Company and the Guarantors hereunder and under the Exchange Notes, the Exchange Note Guarantees and the Collateral Documents, and the other Secured Obligations as defined in the Collateral Trust Agreements, a valid and enforceable perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) Lien and security interest in and on all of the Collateral (subject to the terms of any Collateral Trust Agreement and the Collateral Documents), in favor of the applicable Collateral Trustee for the benefit of the Holders and the other Secured Parties (as defined in the applicable Collateral Trust Agreement). If property that is intended to be Collateral is acquired by the Company or a Guarantor (including property of a Person that becomes a new Guarantor) that is not automatically subject to a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest under the Collateral Documents, then to the extent applicable pursuant to the applicable Security Principles, the Company or such Guarantor will provide a Lien over such property (or, in the case of a new Guarantor, such of its property) in favor of the applicable Collateral Trustee.

(b) The Issuer and the Guarantors shall deliver to the Trustee copies of all Collateral Documents and all notices and other documents delivered to the applicable Collateral Trustee pursuant to the applicable Collateral Documents.

(c) The Indenture, the Notes and the Collateral Documents (other than any Applicable Intercreditor Agreement) will be subject to the terms, limitations and conditions set forth in each Applicable Intercreditor Agreement. Each Holder of Notes, by its acceptance of a Note, is deemed to (i) have consented and agreed to the terms of each Applicable Intercreditor Agreement, as originally in effect and as amended, supplemented or replaced from time to time in accordance with its terms or the terms of this Indenture, the Notes and each other Collateral Document, (ii) have authorized and directed the Trustee and the corresponding Collateral Trustee, as applicable, to enter into each Applicable Intercreditor Agreement and (iii) have authorized and empowered the Trustee and the corresponding Collateral Trustee, as applicable (through each

Collateral Trust Agreement and each Applicable Intercreditor Agreement, if any) to bind the Holders of Notes as set forth in the Collateral Documents to which they are a party and to perform its obligations and exercise its rights and powers thereunder, including entering into amendments permitted by the terms of the Indenture, the Notes and the Collateral Documents. To the extent that any provision of the Indenture, the Notes and the Collateral Documents is not consistent with or contradicts the Collateral Trust Agreement (or the Applicable Intercreditor Agreements (if any)), the Collateral Trust Agreement and/or the Applicable Intercreditor Agreements (if any) shall govern.

Section 12.02 *Release of Collateral*.

(a) Subject to Sections 12.02(b), (c), and (d), the Liens securing the Exchange Notes will be automatically released, and the Trustee (subject to its receipt of an Officers' Certificate and Opinion of Counsel as provided below) shall execute documents evidencing such release, or instruct the applicable Collateral Trustee to execute, as applicable, the same at the Issuer's sole cost and expense, under one or more of the following circumstances:

(1) in whole upon:

(A) payment in full of the principal of, together with accrued and unpaid interest (including Additional Amounts, if any) on, the Exchange Notes and all other obligations under this Indenture;

(B) satisfaction and discharge of this Indenture as set forth under Article 11;

(C) a Legal Defeasance or Covenant Defeasance as set forth under Article 8;

(2) in part, as to any asset constituting Collateral:

(A) that is sold, transferred or otherwise disposed of by the Issuer or any Guarantor to any Person that is not an Affiliate of the Issuer or a Guarantor in a transaction permitted by this Indenture and the Collateral Documents,

(B) that is held by a Guarantor that is released from its Exchange Note Guarantee pursuant to Section 10.09,

(C) that is or becomes an Excluded Asset; or

(D) that is otherwise released in accordance with this Indenture or the Collateral Trust Agreements or the other Collateral Documents.

(b) With respect to any release of Collateral, the Trustee and the applicable Collateral Trustee shall be entitled to receive an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent under this Indenture and the Collateral Documents and any Collateral Trust Agreement, as applicable, to such release have been satisfied, that such release is authorized or permitted by the terms of this Indenture, the Collateral Documents or any

Collateral Trust Agreement, and that the Trustee and the applicable Collateral Trustee are authorized and directed to execute and deliver the documents provided by the Company in connection with such release, and any necessary or proper instruments of termination, satisfaction, discharge or release prepared by the Company. Neither the Trustee nor any Collateral Trustee shall be liable for any such release undertaken in reliance upon any such Officers' Certificate, Opinion of Counsel or direction and notwithstanding any term hereof or in any Collateral Document or in any Collateral Trust Agreement to the contrary, the Trustee and the Collateral Trustees shall not be under any obligation to release any such Lien and security interest, or execute and deliver any such instrument of release, satisfaction, discharge or termination, unless and until it receives such Officers' Certificate, Opinion of Counsel and direction.

(c) At any time when a Default or Event of Default has occurred and is continuing and the maturity of the Exchange Notes has been accelerated (whether by declaration or otherwise) and the Trustee has delivered notice of acceleration to the applicable Collateral Trustee, no release of the applicable Collateral pursuant to the provisions of this Indenture or the applicable Collateral Documents shall be effective as against the Holders, except as otherwise provided in any applicable Collateral Trust Agreement and any Applicable Intercreditor Agreement.

(d) Notwithstanding anything to the contrary in this Section 12.02 and the partial release of Liens in accordance with sections (a) and (b) above, Liens shall not be released in whole while other Secured Obligations (as defined in the Collateral Trust Agreement) are still outstanding.

Section 12.03 *Suits to Protect the Collateral*.

Subject to the provisions of Article 7 hereof and the Collateral Documents and any Collateral Trust Agreement, the Trustee, without the consent of the Holders, on behalf of the Holders, may or may direct the applicable Collateral Trustee to take all actions the Trustee may determine in order to:

(a) enforce any of the terms of the Collateral Documents; and

(b) collect and receive any and all amounts payable in respect of the obligations hereunder.

Subject to the provisions of the Collateral Documents and any Collateral Trust Agreement, the Trustee and the applicable Collateral Trustee shall have power to institute and to maintain such suits and proceedings as the Trustee may determine to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of any of the Collateral Documents or this Indenture, and such suits and proceedings as the Trustee may determine to preserve or protect their interests and the interests of the Holders in the Collateral. Nothing in this Section 12.03 shall be considered to impose any such duty or obligation to act on the part of the Trustee or any Collateral Trustee.

Section 12.04 *Authorization of Receipt of Funds by the Trustee Under the Collateral Documents*.

Subject to any Collateral Trust Agreement and any Applicable Intercreditor Agreement, the Trustee (and the Principal Paying Agent on behalf of the Trustee) is authorized to receive any funds for the benefit of the Holders distributed under the Collateral Documents, and to make further distributions of such funds to the Holders according to the provisions of this Indenture.

Section 12.05 *Purchaser Protected*.

In no event shall any purchaser in good faith of any property purported to be released hereunder be bound to ascertain the authority of any Collateral Trustee or the Trustee to execute the release or to inquire as to the satisfaction of any conditions required by the provisions hereof for the exercise of such authority or to see to the application of any consideration given by such purchaser or other transferee; nor shall any purchaser or other transferee of any property or rights permitted by this Article 12 to be sold be under any obligation to ascertain or inquire into the authority of the Company or the applicable Guarantor to make any such sale or other transfer.

Section 12.06 *Powers Exercisable by Receiver or Trustee*.

In case the Collateral shall be in the lawful possession of a receiver or trustee, lawfully appointed, the powers conferred in this Article 12 upon the Company or a Guarantor with respect to the release, sale or other disposition of such property may be exercised by such receiver or trustee, and an instrument signed by such receiver or trustee shall be deemed the equivalent of any similar instrument of the Company or a Guarantor or of any Officer or Officers thereof required by the provisions of this Article 12; and if the Trustee or any Collateral Trustee shall be in the possession of the Collateral under any provision of this Indenture, then such powers may be exercised by the Trustee or the applicable Collateral Trustee.

Section 12.07 *Collateral Trustees*.

(a) Each of the Holders, by acceptance of the Exchange Notes, and the Company hereby designates and appoints each Collateral Trustee as its agent under this Indenture, the applicable Collateral Documents and the applicable Collateral Trust Agreement and each of the Holders by acceptance of the Exchange Notes hereby irrevocably authorizes each Collateral Trustee to take such action on its behalf under the provisions of this Indenture, the applicable Collateral Documents and the applicable Collateral Trust Agreement and to exercise such powers and perform such duties as are expressly delegated to such Collateral Trustee by the terms of this Indenture, the applicable Collateral Documents and the applicable Collateral Trust Agreement, and consents and agrees to the terms of each Collateral Trust Agreement and each Collateral Document, as the same may be in effect or may be amended, restated, supplemented or otherwise modified from time to time in accordance with their respective terms. Each Collateral Trustee agrees to act as such on the express conditions contained in this Section 12.07. The provisions of this Section 12.07 are solely for the benefit of the Collateral Trustees, and none of the Trustee, any of the Holders, the Company nor any of the Guarantors shall have any rights as a third party beneficiary of any of the provisions contained in this Section 12.07 other than as expressly provided in Section 12.03.

(b) Each Holder agrees that any action taken by the Collateral Trustee in accordance with the provision of this Indenture, the applicable Collateral Trust Agreement and the applicable Collateral Documents, and the exercise by any Collateral Trustee of any rights or remedies set forth herein and therein shall be authorized and binding upon all Holders. Notwithstanding any provision to the contrary contained elsewhere in this Indenture, the Security Debt Documents and any Collateral Trust Agreement, the duties of the Collateral Trustees shall be ministerial and administrative in nature, and the Collateral Trustees shall not have any duties or responsibilities, except those expressly set forth herein and in the Security Debt Documents to which the Collateral Trustee is a party, nor shall the Collateral Trustees have or be deemed to have any trust or other fiduciary relationship with the Trustee, any Holder, the Company or any Guarantor, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Indenture, the Security Debt Documents and any Collateral Trust Agreement or otherwise exist against the Collateral Trustees. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Indenture with reference to the Collateral Trustees is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. Each Collateral Trustee may perform any of its duties under this Indenture, the Collateral Documents to which it is a party or the Collateral Trust Agreement to which it is a party by or through receivers, agents, employees, attorneys-in-fact or with respect to any specified Person, such Person's Affiliates, and the respective officers, directors, employees, agents, advisors and attorneys-in-fact of such Person and its Affiliates, (each, a "Related Person") and shall be entitled to advice of counsel concerning all matters pertaining to such duties, and shall be entitled to act upon, and shall be fully protected in taking action in reliance upon any advice or opinion given by legal counsel. No Collateral Trustee shall be responsible for the negligence or willful misconduct of any receiver, agent, employee, attorney-in-fact or Related Person that it selects as long as such selection was made with due care.

(c) Neither any Collateral Trustee nor any of its respective Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Indenture or the transactions contemplated hereby (except for its own gross negligence or willful misconduct) or under or in connection with any Collateral Document to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party or the transactions contemplated thereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to either of the Trustee or any Holder for any recital, statement, representation, warranty, covenant or agreement made by the Company or any Guarantor or Affiliate of any Guarantor, or any Officer or Related Person thereof, contained in this Indenture, any Collateral Document to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party, or in any certificate, report, statement or other document referred to or provided for in, or received by such Collateral Trustee under or in connection with, this Indenture, the Collateral Documents to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Indenture, the Collateral Documents or any Collateral Trust Agreement, or for any failure of the Company or any Guarantor or any other party to this Indenture, the Collateral Documents or any Collateral Trust Agreement to perform its obligations hereunder or thereunder. No Collateral Trustee nor any of its respective

Related Persons shall be under any obligation to the Trustee or any Holder to ascertain or to inquire as to the existence of any Default or Event of Default, the observance or performance of any of the agreements contained in, or conditions of, this Indenture, the Collateral Documents to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party or to inspect the properties, books, or records of the Company, any Guarantor or any Guarantor's Affiliates.

(d) Each Collateral Trustee shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, certification, telephone message, statement, or other communication, document or conversation (including those by telephone or e-mail) believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including, without limitation, counsel to the Company or any Guarantor), independent accountants and other experts and advisors selected by such Collateral Trustee. No Collateral Trustee shall be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document. Except as required by the applicable Collateral Trust Agreement or any other Collateral Document to which such Collateral Trustee is a party, each Collateral Trustee shall be fully justified in failing or refusing to take any action under this Indenture, the Collateral Documents to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party unless it shall first receive such advice or concurrence of the Trustee or the Required Holders as it determines and, if it so requests, it shall first be indemnified to its satisfaction by the Holders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Except as required by any Collateral Trust Agreement to which such Collateral Trustee is a party or any other Collateral Document to which such Collateral Trustee is a party, each Collateral Trustee shall in all cases be fully protected in acting, or in refraining from acting, under this Indenture, the Collateral Documents to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party in accordance with a request, direction, instruction or consent of the Trustee or the Required Holders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Holders.

(e) No Collateral Trustee shall be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, unless a Responsible Officer of such Collateral Trustee shall have received written notice from the Trustee or the Company referring to this Indenture, describing such Default or Event of Default and stating that such notice is a "notice of default". Subject to the provisions of the Collateral Documents and any Collateral Trust Agreement to which such Collateral Trustee is a party, such Collateral Trustee shall take such action with respect to such Default or Event of Default as may be requested by the Trustee in accordance with Article 7 or the Required Holders (subject to this Section 12.07).

(f) Each Collateral Trustee may resign at any time by giving thirty days' written notice to the Trustee, the Company and the Holders, such resignation to be effective upon the acceptance of a successor agent to its appointment as Collateral Trustee. If each Collateral Trustee resigns under this Indenture, the Company shall appoint a successor collateral trustee; *provided* that at any time while an Event of Default has occurred and is continuing, such appointment shall be made by the Required Holders. If no successor collateral trustee is appointed

prior to the intended effective date of the resignation of such Collateral Trustee (as stated in the notice of resignation), such Collateral Trustee may (or at the written direction of the Required Holders, the applicable Collateral Trustee shall), or the Company (so long as there is not a continuing Event of Default) or the Required Holders may, appoint, subject to the consent of the Company (which consent shall not be unreasonably withheld and which consent shall not be required during a continuing Event of Default), a successor collateral trustee. If no successor collateral trustee is appointed and consented to by the Company (if such consent is required) pursuant to the preceding sentence within thirty (30) days after the intended effective date of resignation (as stated in the notice of resignation), the Trustee, the Required Holders, or the resigning Collateral Trustee shall be entitled to petition a court of competent jurisdiction, at the sole expense of the Company, to appoint a successor. In addition, the Required Holders may remove each Collateral Trustee by so notifying the Trustee, the Issuer and each Collateral Trustee in writing, which removal shall become effective upon the appointment of a successor collateral trustee by the Required Holders (which successor collateral trustee shall be subject to the consent of the Company, which consent shall not be unreasonably withheld and which consent shall not be required during a continuing Event of Default). Upon the acceptance of its appointment as successor collateral trustee hereunder, such successor collateral trustee shall succeed to all the rights, powers and duties of the retiring or removed Collateral Trustee, and the term "Collateral Trustee" shall mean such successor collateral trustee, and the retiring or removed Collateral Trustee's appointment, powers and duties as the Collateral Trustee shall be terminated. After a retiring Collateral Trustee's resignation or removal hereunder, the provisions of this Section 12.07 (and Section 7.07) shall continue to inure to its benefit and such retiring or removed Collateral Trustee shall not by reason of such resignation or removal be deemed to be released from liability as to any actions taken or omitted to be taken by it while it was each Collateral Trustee under this Indenture.

(g) Except as otherwise explicitly provided herein or in the Collateral Documents or any Collateral Trust Agreement, no Collateral Trustee nor any of its officers, directors, employees or agents or other Related Persons shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. Each Collateral Trustee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and no Collateral Trustee nor any of its officers, directors, employees or agents shall be responsible for any act or failure to act hereunder, except for its own gross negligence or willful misconduct. No Collateral Trustee shall be responsible for any misconduct or negligence on the part of any co-Collateral Trustee, agent, attorney, custodian or nominee appointed with due care by it hereunder. No Collateral Trustee shall incur any liability as a result of the sale (whether public or private) of the Collateral or any part thereof at any sale pursuant to this Indenture or any Collateral Document to which it is a party conducted in a commercially reasonable manner. Each of the Company, each Guarantor, and the Holders (by each of their acceptance of the Notes) hereby waives any claims against any Collateral Trustee arising by reason of the fact that the price at which the Collateral may have been sold at such sale (whether public or private) was less than the price that might have been obtained otherwise, even if such Collateral Trustee accepts the first officer received and does not offer the Collateral to more than one offeree, so long as such sale is conducted in a commercially reasonable manner. Each of the Company, each Guarantor, and the

Holders (by each their acceptance of the Notes) hereby agrees that in respect of any sale of any of the Collateral pursuant to the terms hereof, each Collateral Trustee is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable laws, or in order to obtain any required approval of the sale or of the purchaser by any governmental authority or official, and Company further agrees that such compliance shall not, in and of itself, result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall any Collateral Trustee be liable or accountable to the Holder for any discount allowed by reason of the fact that the Collateral or any part thereof is sold in compliance with any such limitation or restriction.

(h) Each Collateral Trustee and the Trustee, as applicable, are authorized and directed by the Company and the Holders (by acceptance of the Exchange Notes) to (i) enter into the Trust Mandates and the Collateral Documents to which they are a party, whether executed before, on or after the Issue Date, (ii) enter into each applicable Collateral Trust Agreement, (iii) make the representations of the Holders set forth in the applicable Collateral Documents and any Collateral Trust Agreement, (iv) bind the Holders on the terms as set forth in the Collateral Documents and any applicable Collateral Trust Agreement and (v) perform and observe its obligations under the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party; *provided* that the Trustee, as such and in its capacity as the Collateral Trustee under the Collateral Documents, shall not take any action under the Collateral Documents except at the written direction of the Holders of the applicable percentage of Outstanding Exchange Notes or pursuant to a Company Order and Opinion of Counsel, in each case, to the extent permitted by the terms of this Indenture.

(i) If at any time or times the Trustee or the Paying Agent shall receive (i) by payment, foreclosure, realization, set-off or otherwise, any proceeds of Collateral or any payments with respect to the obligations arising under, or relating to, this Indenture, except for any such proceeds or payments received by the Trustee or the Paying Agent from each Collateral Trustee pursuant to the terms of this Indenture, or (ii) payments from each Collateral Trustee in excess of the amount required to be paid to the Trustee or the Paying Agent pursuant to Article 7, the Trustee or the Paying Agent shall promptly turn the same over to the applicable Collateral Trustee, in kind, and with such endorsements as may be required to negotiate the same to such Collateral Trustee such proceeds to be applied by such Collateral Trustee pursuant to the terms of this Indenture, the applicable Collateral Documents and any applicable Collateral Trust Agreement.

(j) Should the Trustee obtain possession of any Collateral, upon request from the Company, the Trustee shall notify the applicable Collateral Trustee thereof and promptly shall deliver such Collateral to such Collateral Trustee or otherwise deal with such Collateral in accordance with the applicable Collateral Trustee's instructions.

(k) No Collateral Trustee shall have any obligation whatsoever to the Trustee or any of the Holders to assure that the Collateral exists or is owned by the Company or any Guarantor or is cared for, protected, or insured or has been encumbered, or that such Collateral Trustee's Liens have been properly or sufficiently or lawfully created, perfected, protected, maintained or enforced or are entitled to any particular priority, or to determine whether all or any of the Company's or the Guarantor's property constituting Collateral intended to be subject to the Lien and security interest of the Collateral Documents has been properly and completely listed or

delivered, as the case may be, or the genuineness, validity, marketability or sufficiency thereof or title thereto, or to exercise at all or in any particular manner or under any duty of care, disclosure, or fidelity, or to continue exercising, any of the rights, authorities, and powers granted or available to such Collateral Trustee pursuant to this Indenture, any Collateral Document to which it is a party or any Collateral Trust Agreement to which it is a party other than pursuant to the instructions of the Trustee or the Required Holders or as otherwise provided in the Collateral Documents to which it is a party or any Collateral Trust Agreement to which it is a party, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, such Collateral Trustee shall have no other duty or liability whatsoever to the Trustee or any Holder as to any of the foregoing.

(l) If the Company or any Guarantor (i) incurs or designates any obligations in respect of Additional Secured Debt Facilities at any time when no Collateral Trust Agreement is in effect and (ii) delivers to the applicable Collateral Trustee an Officers' Certificate so stating and authorizing and directing such Collateral Trustee to enter into a Collateral Trust Agreement in favor of a designated agent or representative for the holders of the Additional Secured Debt Facility so incurred, such Collateral Trustee shall (and is hereby authorized and directed to) enter into such Collateral Trust Agreement (at the sole expense and cost of the Company, including legal fees and expenses of such Collateral Trustee), bind the Holders on the terms set forth therein and perform and observe its obligations thereunder.

(m) No provision of this Indenture, any Collateral Trust Agreement or any Collateral Document shall require any Collateral Trustee (or the Trustee) to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or thereunder or to take or omit to take any action hereunder or thereunder or take any action at the request or direction of Holders (or the Trustee in the case of a Collateral Trustee) if it shall not have received indemnity satisfactory to such Collateral Trustee against potential costs and liabilities incurred by such Collateral Trustee relating thereto. Notwithstanding anything to the contrary contained in this Indenture, any Collateral Trust Agreement or the Collateral Documents, in the event such Collateral Trustee is entitled or required to commence an action to foreclose or otherwise exercise its remedies to acquire control or possession of the Collateral, such Collateral Trustee shall not be required to commence any such action or exercise any remedy or to inspect or conduct any studies of any property under the mortgages or take any such other action if such Collateral Trustee has determined that it may incur personal liability as a result of the presence at, or release on or from, the Collateral or such property, of any hazardous substances unless such Collateral Trustee has received security or indemnity from the Company or the Holders in an amount and in a form satisfactory to such Collateral Trustee in its sole discretion, protecting such Collateral Trustee from all such liability. Each Collateral Trustee shall at any time be entitled to cease taking any action described in this paragraph (m) if it no longer reasonably deems any indemnity, security or undertaking from the Company or the Holders to be sufficient.

(n) Each Collateral Trustee may consult with counsel of its selection and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it in good faith and in accordance with the advice or opinion of such counsel. The grant of permissive rights or powers to such Collateral Trustee shall not be construed to impose duties to act.

(o) Neither any Collateral Trustee nor the Trustee shall be liable for delays or failures in performance resulting from acts beyond its control. Such acts shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, pandemics, epidemics, disease, governmental regulations superimposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters. Neither any Collateral Trustee nor the Trustee shall be liable for any indirect, special, punitive, incidental or consequential damages (included but not limited to lost profits) whatsoever, even if it has been informed of the likelihood thereof and regardless of the form of action.

(p) No Collateral Trustee assumes any responsibility for any failure or delay in performance or any breach by the Company or any Guarantor under this Indenture, any Collateral Trust Agreement and the Collateral Documents. No Collateral Trustee shall be responsible to the Holders or any other Person for any recitals, statements, information, representations or warranties contained in this Indenture, any Collateral Document or any Collateral Trust Agreement or in any certificate, report, statement, or other document referred to or provided for in, or received by such Collateral Trustee under or in connection with, this Indenture, any Collateral Trust Agreement to which it is a party or any Collateral Document to which it is a party; the execution, validity, genuineness, effectiveness or enforceability of any Collateral Trust Agreement to which it is a party and any Collateral Documents to which it is a party of any other party thereto; the genuineness, enforceability, collectability, value, sufficiency, location or existence of any Collateral, or the validity, effectiveness, enforceability, sufficiency, extent, perfection or priority of any Lien there-in; the validity, enforceability or collectability of any Obligations; the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any obligor; or for any failure of any obligor to perform its obligations under this Indenture, any Collateral Trust Agreement to which it is a party and the Collateral Documents to which it is a party. No Collateral Trustee shall be required to initiate or conduct any litigation or collection or other proceeding under this Indenture, any Collateral Trust Agreement and the Collateral Documents unless expressly set forth hereunder or thereunder. Each Collateral Trustee shall have the right at any time to seek instructions from the Holders with respect to the administration of this Indenture, any Collateral Document to which it is a party or any Collateral Trust Agreement to which it is a party.

(q) The parties hereto and the Holders hereby agree and acknowledge that no Collateral Trustee shall assume, be responsible for or otherwise be obligated for any liabilities, claims, causes of action, suits, losses, allegations, requests, demands, penalties, fines, settlements, damages (including foreseeable and unforeseeable), judgments, expenses and costs (including but not limited to, any remediation, corrective action, response, removal or remedial action, or investigation, operations and maintenance or monitoring costs, for personal injury or property damages, real or personal) of any kind whatsoever, pursuant to any environmental law as a result of this Indenture, any Collateral Trust Agreement, the Collateral Documents or any actions taken pursuant hereto or thereto. Further, the parties hereto and the Holders hereby agree and acknowledge that in the exercise of its rights under this Indenture, any Collateral Trust Agreement and the Collateral Documents, the Collateral Trustees may hold or obtain indicia of ownership primarily to protect the security interest of such Collateral Trustee in the Collateral and that any such actions taken by such Collateral Trustee shall not be construed as or otherwise constitute any participation in the management of such Collateral.

(r) Upon the receipt by each Collateral Trustee of a written request of the Company signed by one Officer of the Company (a "Collateral Document Order"), such Collateral Trustee is hereby authorized and directed to execute and enter into, and shall execute and enter into, without the further consent of any Holder or the Trustee, any Collateral Document (in form and substance reasonably satisfactory to the Collateral Trustee) to be executed after the Issue Date. Such Collateral Document Order shall (i) state that it is being delivered to the Collateral Trustee pursuant to, and is a Collateral Document Order referred to in, this Section 12.07(r), and (ii) instruct such Collateral Trustee to execute and enter into such Collateral Document. Any such execution of a Collateral Document shall be at the direction and expense of the Company, upon delivery to each Collateral Trustee of an Officers' Certificate and Opinion of Counsel stating that all conditions precedent to the execution and delivery of the Collateral Document have been satisfied. The Holders, by their acceptance of the Exchange Notes, hereby authorize and direct each Collateral Trustee to execute such Collateral Documents.

(s) Subject to the provisions of the applicable Collateral Documents and any Collateral Trust Agreement, each Holder, by acceptance of the Exchange Notes, agrees that the Collateral Trustees shall execute and deliver any Collateral Trust Agreement and the Collateral Documents to which it is a party (or joinders thereto) and all agreements, documents and instruments incidental thereto, and act in accordance with the terms thereof. For the avoidance of doubt, no Collateral Trustee shall have discretion under this Indenture, any Collateral Trust Agreement or the Collateral Documents and shall not be required to make or give any determination, consent, approval, request or direction, or exercise any discretionary power, except discretionary rights and powers expressly contemplated hereby or by the Collateral Documents, without the written direction of the Company, the Trustee, or the Required Holders, as applicable. Each Collateral Trustee shall be entitled to refrain from any act or the taking of any action hereunder or under any of the Collateral Documents to which it is a party or from the exercise of any power or authority vested in it hereunder or thereunder unless and until such Collateral Trustee shall have received instructions from the Required Holders or the Trustee, as applicable, and if such Collateral Trustee deems necessary, satisfactory indemnity, and shall not be liable for any such delay in acting. No Collateral Trustee shall be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Trustee to liability or that is contrary to this Indenture or any Collateral Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any bankruptcy or insolvency law. For purposes of clarity, phrases such as "satisfactory to", "approved by", "acceptable to", "as determined by", "in the discretion of", "selected by", "requested by" the Collateral Trustee and phrases of similar import authorize and permit each Collateral Trustee to approve, disapprove, determine, act or decline to act in its reasonable discretion.

(t) After the occurrence of an Event of Default, the Trustee may direct the Collateral Trustees in connection with any action required or permitted by this Indenture, the Collateral Documents or any Collateral Trust Agreement.

(u) Each Collateral Trustee is authorized to receive any funds for the benefit of itself, the Trustee and the Holders distributed under the Collateral Documents or any Collateral Trust Agreement to which it is a party and to the extent not prohibited under any Collateral Trust Agreement to which it is a party, for turnover to the Paying Agent to make further distributions of

such funds to itself, the Trustee and the Holders in accordance with the provisions of Section 6.06 hereof and the other provisions of this Indenture.

(v) [reserved].

(w) Notwithstanding anything to the contrary in this Indenture, any Collateral Trust Agreement or any Collateral Document, in no event shall any Collateral Trustee nor the Trustee be responsible for, or have any duty or obligation with respect to, the recording, filing, re-recording, re-filing, registering, perfection, protection or maintenance of the security interests, financial statement, perfection statement, continuation statement or other statement, or Liens intended to be created by this Indenture or the Collateral Documents in any public office or for otherwise ensuring the perfection or maintenance of any security interest granted pursuant to this Indenture or the Collateral Documents, neither shall any Collateral Trustee nor the Trustee be responsible for, and neither any Collateral Trustee nor the Trustee make any representation regarding, the validity, effectiveness or priority of any of the Collateral Documents or the security interests or Liens intended to be created thereby.

(x) Before each Collateral Trustee acts or refrains from acting in each case at the request or direction of the Company or the Guarantors, it may require an Officers' Certificate and an Opinion of Counsel, which shall conform to the provisions of Section 11.03. Each Collateral Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

(y) The Company shall pay compensation to, reimburse expenses of and indemnify the Collateral Trustee in accordance with Section 7.07.

Section 12.08 *Additional Secured Debt Facilities*.

For purposes of the provisions hereof and any Collateral Trust Agreement requiring the Company to designate Indebtedness for the purposes of the term "Additional Secured Debt Facility" or any other such designations hereunder or under any Collateral Trust Agreement, any such designation shall be sufficient if the requirements of the applicable Collateral Trust Agreement are satisfied.

Section 12.09 *Co-Collateral Trustee*. If at any time or times it shall be necessary in order to conform to any law of any jurisdiction in which any of the Collateral shall be located, or the Required Holders so request, the Trustee and the Company shall execute and deliver all instruments and agreements necessary or proper to constitute another bank or trust company, or one or more persons approved by such Collateral Trustee, the Company and the Trustee, either to act as co-Collateral Trustee or co-Collateral Trustee of all or any of the Collateral, jointly with the Collateral Trustee originally named herein or any successor or successors, or to act as separate collateral trustee or collateral trustees any such property. In case an Event of Default shall have occurred and be continuing, the applicable Collateral Trustee may act under the foregoing provisions of this Article 12 without the concurrent consent of the Holders, and the Holders, by acceptance of the Exchange Notes, hereby appoint the applicable co- Collateral Trustee as its trustee and attorney to act under the foregoing provisions of this Section 12.09 in such case. This

appointment of any co-Collateral Trustee pursuant to this Section 12.09 shall be subject to any applicable Collateral Trust Agreement.

Section 12.10 *Limitation of Liability of the Collateral Trustees*.

Each Collateral Trustee is entering into this Indenture and the Collateral Documents not in its individual capacity but solely in its capacity as Collateral Trustee under this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party and in entering into such documents and acting hereunder and thereunder. Notwithstanding anything to the contrary contained herein or in any Collateral Document to which it is a party or Collateral Trust Agreement to which it is a party, each Collateral Trustee shall be entitled to all the rights, protections, indemnifications and immunities granted to the Collateral Trustees under this Indenture. The permissive authorizations, entitlements, powers and rights granted to the Collateral Trustees shall not be construed as duties. Any exercise of discretion on behalf of any Collateral Trustee shall be exercised in accordance with the terms of this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party. Notwithstanding anything to the contrary contained herein or in any Collateral Document or Collateral Trust Agreement, and for the avoidance of doubt, any obligations of any Collateral Trustee to indemnify, compensate or reimburse the any party under the terms of this Indenture, the Collateral Documents and any Collateral Trust Agreement, shall be (i) an obligation of the applicable Collateral Trustee solely in its capacity as Collateral Trustee under this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party; (ii) limited solely to the funds available to it under this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party at any point in time; (iii) limited solely to the scope of such Collateral Trustee's direction to a party to this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party; and (iv) not applicable in the event of gross negligence or intentional misconduct of the applicable party to this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

EXHIBIT B — REDLINE COMPARISON BETWEEN THE EXISTING NOTES INDENTURE AND THE FORM OF NEW NOTES INDENTURE

[Attached]

AVIANCA MIDCO 2 ~~LIMITED~~PLC,
as Issuer,

AVIANCA GROUP INTERNATIONAL LIMITED,
as Ultimate Parent and a Parent Guarantor,

the other GUARANTORS party hereto,

WILMINGTON SAVINGS FUND SOCIETY, FSB,
as Trustee, Registrar, Transfer Agent and Principal Paying Agent

and

GLAS AMERICAS LLC,
as Existing Collateral Trustee and 2025 Collateral Trustee

INDENTURE

Dated as of ~~December 1~~
, ~~2021~~2025

9.000% ~~Tranche A-1~~ Senior Secured Notes Due 2028

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INDENTURE, dated as of ~~December 1~~ , ~~2021~~2025, among Avianca MidCo 2 ~~Limited, a private~~PLC, a public limited company incorporated and existing under the laws of England and Wales (the "**Company**" or the "**Issuer**"), Avianca Group International Limited, a private limited company incorporated and existing under the laws of England and Wales (the "**Ultimate Parent**"), the other GUARANTORS party hereto, WILMINGTON SAVINGS FUND SOCIETY, FSB, as trustee (the "**Trustee**"), Registrar, Transfer Agent and Principal Paying Agent, and GLAS AMERICAS LLC, as Existing Collateral Trustee and 2025 Collateral Trustee.

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the Holders (as defined below) of the Company's 9.000% ~~Tranche A-1~~ Senior Secured Notes due 2028 (the "~~**Tranche A-1 Exit**~~**Exchange Notes**") issued pursuant to this Indenture, as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 *Definitions*.

"**2025 Collateral Trust Agreement**" means the Collateral Trust Agreement to be entered into on the Issue Date, by and among the Issuer, the Grantors party thereto, the Trustee, the trustee for the Refinancing Notes, the 2025 Collateral Trustee and each Additional Parity Lien Representative party thereto from time to time, as the same may be amended, supplemented, modified or otherwise changed from time to time.

"**2025 Collateral Trustee**" has the meaning specified in the preamble of this Indenture.

"**Acquired Indebtedness**" means Indebtedness of a Person or any of its subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Ultimate Parent or at the time it merges or consolidates with a Parent Guarantor, the Company or any of the Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person. Acquired Indebtedness will be deemed to have been incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges or consolidates with a Parent Guarantor, the Company or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

"**Additional Amounts**" has the meaning specified in Section 4.05.

"**Additional Secured Debt Facility**" has the meaning specified in the applicable Collateral Trust Agreement, as the context may require.

"**Additional ~~Tranche A-1 Exit~~Exchange Notes**" means any ~~Tranche A-1 Exit~~Exchange Notes issued under this Indenture in addition to the Initial ~~Tranche A-1 Exit~~Exchange Notes, having the same terms in all respects as the Initial ~~Tranche A-1 Exit~~Exchange Notes except for the issue date, issue price and, if applicable, the first interest payment date and the initial interest accrual date.

"**Affiliate**" means, with respect to any Person, any other Person that is in control of, is controlled by or is under common control with such Person. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"**Affiliate Cash Consideration Cap**" means, at the election of the Issuer:

(i) an amount equal to 110% of the applicable Seller's Cost; or

(ii) an amount within a range of values in connection with the applicable Investment to be determined by an Approved Appraisal Firm engaged at the expense of the Issuer or any other Guarantor.

"**Affiliate Transaction**" has the meaning specified in Section 4.09.

"**Agents**" means each of the Registrar, the Transfer Agent, the Paying Agents, and the Collateral Trustees, individually, an "**Agent**."

"**Aircraft Indebtedness**" means any (i) Indebtedness incurred to finance the acquisition or operation of aircraft, spare parts or engines, secured by aircraft, spare parts or engines the acquisition or operation of which are so financed, (ii) any asset-based Indebtedness on terms that are customary in the aviation industry secured by aircraft, spare parts or engines, and (iii) pre-delivery payment financing.

"**Airport Authority**" shall mean any city or any public or private board or other body or organization chartered or otherwise established for the purpose of administering, operating or managing airports or related facilities, which in each case is an owner, administrator, operator or manager of one or more airports or related facilities.

"**Applicable Intercreditor Agreement**" means, an intercreditor or subordination agreement or arrangement (which may take the form of a "waterfall" or similar provision) the terms of which are consistent with market terms governing intercreditor arrangements for the sharing or subordination of Liens or arrangements relating to the distribution of payments in respect of Collateral, as applicable, at the time the applicable agreement or arrangement is proposed to be established in light of the type of Indebtedness subject thereto as determined by the Issuer in good faith.

"**Applicable Procedures**" means the applicable procedures of DTC, Euroclear and Clearstream, in each case to the extent applicable.

"**Approved Appraisal Firm**" means any of the firms or institutions listed on Schedule I.

"**Asset Acquisition**" means:

(i) an Investment by a Parent Guarantor, the Company or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into a Parent Guarantor, the Company or any Restricted Subsidiary;

(ii) the acquisition by a Parent Guarantor, the Company or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Ultimate Parent) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or

(iii) any Revocation with respect to an Unrestricted Subsidiary.

"**Asset Sale**" means (i) the sale, conveyance, transfer or other disposition (including by way of merger or consolidation), whether in a single transaction or a series of related transactions, of property or assets of a Parent Guarantor (other than the sale of Capital Stock of the Ultimate Parent), the Company or any of the Restricted Subsidiaries (each referred to in this definition as a "disposition"), or (ii) the issuance or sale of Capital Stock of a Parent Guarantor (other than the issuance of Capital Stock of the Ultimate Parent), the Company or any of the Restricted Subsidiaries (whether in a single transaction or a series of related transactions and other than Disqualified Capital Stock or Preferred Stock of Restricted Subsidiaries issued in compliance with Section 4.08 or the issuance of directors' qualifying shares and shares issued to foreign nationals as required by applicable law), in each case, other than:

(A) a disposition of Cash Equivalents or obsolete, damaged, unnecessary, unsuitable or worn out property, equipment or other assets in the ordinary course of business and dispositions of inventory, goods or other assets in the ordinary course of business or no longer useful in the ordinary course of the Parent Guarantors', the Company's, the Guarantors' or the Restricted Subsidiaries' business~~;~~ (including the abandonment, cancellation, allowing to lapse or other disposition of intellectual property that is no longer used or useful in the ordinary course of the Parent Guarantors', the Company's or the Restricted Subsidiaries' business or is no longer economically practicable to maintain);

(B) the disposition of all or substantially all of the assets of the Ultimate Parent in a manner permitted pursuant to Article 5 or any disposition that constitutes a Change of Control;

(C) he making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, pursuant to Section 4.19 or the granting of a Lien permitted by Section 4.21;

(D) any disposition of assets in any transaction or series of related transactions with an aggregate Fair Market Value of less than U.S.$10,000,000 in the aggregate per calendar year;

(E) any disposition of property or assets, issuance or sale of securities by a Restricted Subsidiary (including Capital Stock of such Restricted Subsidiary) to the Company or by the Company or a Restricted Subsidiary to another Restricted Subsidiary, including, for the avoidance of doubt, in connection with the unwinding, dissolution or liquidation of any wholly owned Subsidiary of the Company in connection with any

measures adopted by the Company in order to simplify its corporate structure (as determined in good faith by management of the Company);

(F) the lease, assignment, sublease, license or sublicense of any real or personal property in the ordinary course of business or that do not materially interfere with the business of the Parent Guarantors, the Company and the Restricted Subsidiaries as then in effect;

(G) any issuance, sale or other disposition of Capital Stock of an Unrestricted Subsidiary;

(H) disposition of an account receivable in connection with the collection or compromise thereof;

(I) (i) foreclosures, condemnation, expropriation, forced dispositions, eminent domain or any similar action (whether by deed of condemnation or otherwise) with respect to assets, and (ii) transfers of any property that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement or upon receipt of the net proceeds of such casualty event;

(J) the sale, lease, assignment, license, sublicense or sublease of inventory, equipment, accounts receivable, notes receivable or other current assets, in each case, held for sale in the ordinary course of business;

(K) the licensing, sublicensing or cross-licensing of intellectual property in the ordinary course of business (including between Restricted Subsidiaries) and which does not materially interfere with the business of the Parent Guarantors, the Company and the Restricted Subsidiaries as then in effect;

(L) the surrender or waiver of obligations of trade creditors or customers or other contract rights that were incurred in the ordinary course of business of the Parent Guarantors, the Company or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or compromise, settlement, release or surrender of a contract, tort or other litigation claim, arbitration or other disputes;

(M) dispositions of Investments (including Capital Stock) in joint ventures to the extent required by, or made pursuant to customary buy/sell arrangements or rights of first refusal between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(N) dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) an amount equal to the net proceeds of such disposition are promptly applied to the purchase price of such replacement property;

(O) any financing transaction with respect to property built or acquired by the Parent Guarantors, the Company or any Restricted Subsidiary after the Issue Date, including Sale and Leaseback Transactions, in each case, permitted under this Indenture;

(P) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or other litigation claims in the ordinary course of business;

(Q) the unwinding or voluntary termination of any Hedging Obligations; and

(R) (i) any issuance, sale or other disposition of Capital Stock (other than Preferred Stock or Disqualified Capital Stock) of the Ultimate Parent pursuant to any bona fide management incentive plan, or (ii) subject to the terms and conditions of the Share Pledge Agreements, any issuance, sale or other disposition of Capital Stock (other than Preferred Stock or Disqualified Capital Stock) of the Company or a Restricted Subsidiary in an amount not to exceed $10,000,000 at any time pursuant to any bona fide management incentive plan; and.

~~(S) the SAI Disposition or any disposition pursuant to the Reorganization Plan.~~

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Sale and would also be a permitted Restricted Payment or Permitted Investment, the Ultimate Parent or the Company, in their sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Sale and/or one or more of the types of permitted Restricted Payments or Permitted Investments.

"**Authenticating Agent**" has the meaning specified in Section 2.02.

"**Authorized Denomination**" has the meaning specified in Section 2.02.

~~"**Banco de Bogota Credit Card Receivables Facility**" means that certain Credit and Guaranty Agreement, dated June 16, 2015, executed by and among Taca International Airlines S.A., as borrower, Avianca Holdings S.A., as guarantor, BAC International Bank, Inc., Banco de Bogotá and Banco de Occidente, S.A., as lenders, and Fiduciaria Bogotá S.A., as Administrative Agent, and Banco de Bogotá S.A., New York Agency as Sole Lead Arranger and Bookrunner (as amended, restated, supplemented or otherwise modified from time to time).~~

"**Bankruptcy Law**" means Title 11, U.S. Code or any similar federal, state or foreign law for the relief of debtors.

"**Business Day**" means any day other than a Saturday, a Sunday or a legal holiday in the United Kingdom, Colombia or the United States or a day on which banking institutions or trust companies are authorized or obligated by law to close in the United Kingdom, Colombia, the State of Delaware or The City of New York.

"**Capital Markets Offering**" means any offering of "securities" (as defined under the Securities Act) in (a) a public offering registered under the Securities Act, or (b) an offering not required to be registered under the Securities Act (including, without limitation, a private

placement under Section 4(a)(2) of the Securities Act, an exempt offering pursuant to Rule 144A and/or Regulation S of the Securities Act and an offering of exempt securities).

"**Capital Stock**" means, with respect to any Person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting) such Person's equity, including any Preferred Stock, but excluding any debt securities convertible into or exchangeable for such equity.

"**Cash Equivalents**" means:

(i) U.S. dollars, or money in the local currency of any country in which the Parent Guarantors, the Company or any of the Restricted Subsidiaries operates;

(ii) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof;

(iii) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any country recognized by the Unites States of America maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the three highest ratings obtainable from either S&P or Moody's or any successor thereto;

(iv) commercial paper outstanding at any time, maturing not more than one year after the date of acquisition, issued by any Person (other than an Affiliate of the Ultimate Parent) that is organized under the laws of the United States of America, any state thereof or any Latin American country recognized by the United States and rated P-1 or better from Moody's or A-1 or better from S&P or, with respect to Persons organized outside of the United States, a local market credit rating at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's and in each case with maturities of not more than 360 days from the date of acquisition thereof;

(v) demand deposits, certificates of deposit, overnight deposits and time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any commercial bank that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States and at the time of acquisition thereof has capital and surplus in excess of U.S.$500,000,000 (or the foreign currency equivalent thereof) and a rating of P-1 or better from Moody's or A-1 or better from S&P or, with respect to a commercial bank organized outside of the United States, a local market credit rating of at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's, or with government owned financial institution that is organized under the laws of any of the countries in which the Parent Guarantors, the Company or the Restricted Subsidiaries conduct business;

(vi) insured demand deposits made in the ordinary course of business and consistent with the Parent Guarantors', the Company's or their Subsidiaries' customary cash management

policy in any domestic office of any commercial bank organized under the laws of the United States of America or any state thereof;

(vii) repurchase obligations with a term of not more than 360 days for underlying securities of the types described in clauses (ii), (iii) and (iv) above entered into with any financial institution meeting the qualifications specified in clause (v) above;

(viii) substantially similar investments denominated in the currency of any jurisdiction in which the Parent Guarantors, the Company or any of the Restricted Subsidiaries conducts business of issuers whose country's credit rating is at least "BBB-" (or the then equivalent grade) by S&P and the equivalent rating by Moody's;

(ix) any other securities or pools of securities that are classified under IFRS as cash equivalents or short-term investments on a balance sheet as of such date; and

(x) investments in money market funds which invest at least 95% of their assets in securities of the types described in clauses (i) through (ix) above.

"**Certificated Note**" has the meaning specified in Section 2.06.

"**Change of Control**" means:

(i) the direct or indirect sale or transfer (other than by way of merger or consolidation) of all or substantially all the assets of the Ultimate Parent or the Issuer to another Person (in each case, unless such other Person is a Permitted Holder);

(ii) the consummation of any transaction (including, without limitation, by merger, consolidation, acquisition or any other means) as a result of which any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act), other than Permitted Holders, is or becomes the "beneficial owner" (as such term is used in Rules 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Ultimate Parent; or

(iii) Ultimate Parent shall cease to hold, directly or indirectly, 100% of the Voting Stock of the Issuer; *provided* that for the avoidance of doubt, to the extent there is no Parent Guarantor resulting from a transaction permitted under Article 5, this clause (iii) shall be disregarded and of no effect.

"**Clearstream**" means Clearstream Banking, *société anonyme*, Luxembourg.

"**Collateral**" means, collectively, all assets subject or purported to be subject to any Lien pursuant to the Collateral Documents.

"**Collateral ~~Trustee~~and Guarantee Requirements**" has the meaning specified in the ~~preamble of this Indenture~~applicable Collateral Trust Agreement.

~~"**Collateral Document Order**" has the meaning specified in Section 12.07(r).~~

"**Collateral Documents**" means the security agreements, share pledges agreements (collectively, "**Share Pledge Agreements**"), debentures, collateral assignments, mortgages, deeds of trust, intellectual property assignments, intellectual property pledges, Collateral Trust Agreements, each Applicable Intercreditor Agreement and/or other instruments evidencing or creating a security interest in favor of the applicable Collateral Trustee for its benefit and the benefit of the Secured Parties, in all or any portion of the Collateral (including Collateral pursuant to Section 4.11), as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed from time to time, including, without limitation, each Collateral Document listed on Schedule II hereto.

"**Collateral Document Order**" has the meaning specified in Section 12.07(r).

"**Collateral Release**" means the release of the Released Assets (as defined in and further described in the Exchange Offer Memorandum) from the pledge created by the Existing Collateral Documents.

"**Collateral Trust Agreements**" means ~~that certain~~, collectively, the Existing Collateral Trust Agreement, ~~dated as of December 1, 2021, by and among the Issuer, the Grantors party thereto, WILMINGTON SAVINGS FUND SOCIETY, FSB, as A-1 Senior Secured Notes Indenture Trustee and A-2 Senior Secured Notes Indenture Trustee, the~~the 2025 Collateral Trust~~ee for the Secured Parties and each Additional Parity Lien Representative party thereto~~Agreement and any other collateral trust agreement from time to time entered into pursuant to this Indenture.

"**Collateral Trustee**" means each of the Existing Collateral Trustee and the 2025 Collateral Trustee.

"**Company Order**" means a written order signed in the name of the Company by an Officer.

"**Consolidated EBITDAR**" shall mean, with respect to any specified Person for any period, the Consolidated Net Income of such Person and its Restricted Subsidiaries for such period plus or minus, as applicable, and without duplication:

(i) an amount equal to any extraordinary loss (to the extent not covered by business interruption insurance to the extent added pursuant to clause (ix) below) plus any net loss realized by such Person or any of its Restricted Subsidiaries in connection with any Disposition of assets outside of the ordinary course of business, to the extent such losses were deducted in computing such Consolidated Net Income; plus

(ii) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; plus

(iii) the Fixed Charges of such Person and its Restricted Subsidiaries, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; plus

(iv) any non-cash foreign currency translation losses (including losses related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries for such

period, to the extent that such losses were deducted in computing such Consolidated Net Income; plus

(v) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period or amortization of a prepaid cash charge or expense that was paid in a prior period) of such Person and its Restricted Subsidiaries to the extent that such depreciation, amortization and other non-cash charges or expenses were deducted in computing such Consolidated Net Income; plus

(vi) the amortization of debt discount to the extent that such amortization was deducted in computing such Consolidated Net Income; plus

(vii) deductions for grants to any employee of such Person or its Restricted Subsidiaries of any Capital Stock during such period to the extent deducted in computing such Consolidated Net Income; plus

(viii) any non-cash mark-to-market accounting losses arising under fuel hedging arrangements, to the extent deducted in computing such Consolidated Net Income; plus

(ix) proceeds from business interruption insurance for such period, to the extent not already included in computing such Consolidated Net Income; plus

(x) any expenses and charges that are covered by indemnification or reimbursement provisions in connection with any permitted acquisition, merger, disposition, incurrence of Indebtedness, issuance of Capital Stock or any investment to the extent (a) actually indemnified or reimbursed and (b) deducted in computing such Consolidated Net Income; minus

(xi) an amount equal to any extraordinary gains and any net gains realized by such Person or any of its Restricted Subsidiaries in connection with any Disposition of assets outside of the ordinary course of business to the extent such gains increased such Consolidated Net Income; minus

(xii) non-cash items, other than the accrual of revenue in the ordinary course of business, to the extent such amount increased such Consolidated Net Income; minus

(xiii) the sum of (A) income tax credits and (B) interest income included in computing such Consolidated Net Income; minus

(xiv) non-cash foreign currency translation gains (including gains related to currency remeasurements of Indebtedness) of such Person and its Restricted Subsidiaries, to the extent such gains were included in computing such Consolidated Net Income; minus

(xv) any non-cash mark-to-market accounting gains arising under fuel hedging arrangements, to the extent such gains were included in computing such Consolidated Net Income; in each case, determined on a consolidated basis in accordance with IFRS, provided that, if any Restricted Subsidiary is not a wholly-owned Restricted Subsidiary, Consolidated EBITDAR shall

be reduced (to the extent not otherwise reduced in accordance with IFRS as in effect on the Issue Date or the definition of Consolidated Net Income) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Ultimate Parent, the Issuer or any of the Restricted Subsidiaries.

~~Subject to any pro forma adjustments made pursuant to Section 4.08(a), Consolidated EBITDAR of the Ultimate Parent (on a pro forma basis as if the Ultimate Parent owned Avianca Holdings S.A.'s Subsidiaries as of such date) shall be deemed to be (i) for the fiscal quarter ended September 30, 2020: $(34,678.0) thousand, (ii) for the fiscal quarter ended March 31, 2021: $(55,331.4) thousand, (iii) for the fiscal quarter ended June 30, 2021: $(3,631.5) thousand and (iv) for the fiscal quarter ended September 30, 2021: $59,773.2 thousand.~~

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis (excluding the net income (or loss) of any Unrestricted Subsidiary of such Person), determined in accordance with IFRS and without any reduction in respect of Preferred Stock dividends; *provided* that:

(i) all net after tax extraordinary, non-recurring or unusual gains or losses and all gains or losses realized in connection with any Disposition of assets outside of the ordinary course of business the early extinguishment of Indebtedness of such Person, together with any related provision for taxes on any such gain, will be excluded;

(ii) the net income (but not loss) of any Person that is not the specified Person or a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included for such period only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of the specified Person;

(iii) the net income (but not loss) of any Restricted Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders;

(iv) the cumulative effect of a change in accounting principles on such Person will be excluded;

(v) the effect of non-cash gains and losses of such Person resulting from Hedging Obligations, including that attributable to movement in the mark-to-market valuation of Hedging Obligations, will be excluded;

(vi) any non-cash compensation expense recorded from grants by such Person of stock appreciation or similar rights, stock options or other rights to officers, directors or employees, will be excluded;

(vii) the effect on such Person of any non-cash items resulting from any amortization, write-up, write-down or write-off of assets (including intangible assets, goodwill and deferred financing costs) in connection with any acquisition, disposition, merger, consolidation or similar transaction or any other non-cash impairment charges incurred subsequent to the Issue Date, will be excluded; and

(viii) any provision for income tax reflected on such Person's financial statements for such period will be excluded to the extent such provision exceeds the actual amount of taxes paid in cash during such period by such Person and its consolidated Subsidiaries.

~~Subject to any pro forma adjustments made pursuant to Section 4.08(a), Consolidated Net Income of the Ultimate Parent (on a pro forma basis as if the Ultimate Parent owned Avianca Holdings S.A.'s Subsidiaries as of such date) shall be deemed to be (i) for the fiscal quarter ended September 30, 2020: $(283,529.0) thousand, (ii) for the fiscal quarter ended March 31, 2021: $(311,680.0) thousand, (iii) for the fiscal quarter ended June 30, 2021: $(341,765.0) thousand and (iv) for the fiscal quarter ended September 30, 2021: $(358,917.0) thousand.~~

"**Corporate Trust Office**" means the office of the Trustee or the Collateral Trustees at which at any particular time its corporate trust business shall be principally administered (which office, in the case of the Trustee, as of the date of this Indenture is located, solely for purposes of transfer, surrender, exchange or presentation for final payment, at: 500 Delaware Avenue, 11th Floor, Wilmington, Delaware 19801, Attn: Corporate Trust – Raye Goldsborough – Avianca Midco 2) (and which office as of the date of this Indenture is located, for purposes of the Collateral Trustees, at: GLAS Americas LLC, 3 Second Street, Suite 206, Jersey City, NJ 07311~~, Fax: 212-202-6246)~~.

"**covenant defeasance option**" has the meaning specified in Section 8.01.

"**Currency**" means miles, points and/or other units that are a medium of exchange constituting a convertible, virtual and private currency that is tradable property and that can be sold or issued to Persons.

"**Custodian**" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"**Default**" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"**defeasance trust**" has the meaning specified in Section 8.02.

"**Depositary**" means DTC or any successor depositary for the ~~Tranche A-1 Exit~~Exchange Notes.

"**Designation**" and "**Designation Amount**" have the respective meanings assigned to them in Section 4.20(a).

"**Disqualified Capital Stock**" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the

option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof.

"**DTC**" means The Depository Trust Company.

"**ECA**" means export credit agency.

~~"**Engine Loan Facility**" means that certain Facility Agreement, dated March 13, 2015, by and among (i) Bank of Utah, not in its individual capacity, except as expressly provided herein, but solely as owner trustee under the Trust Agreement, as Borrower, (ii) Avianca Holdings S.A., as Owner Participant, (iii) Avianca Holdings S.A., Aerovías del Continente Americano S.A. Avianca, and Taca International Airlines, S.A., as Guarantors, (iv) Credit Agricole Corporate and Investment Bank, as Lenders, (v) Credit Agricole Corporate and Investment Bank, as Administrative Agent, and (vi) Wells Fargo Bank Northwest, N.A., as Security Trustee.~~

"**Equity Consideration**" means any consideration paid in the form of, or from the cash proceeds of any issuance of, Capital Stock or Preferred Equity (other than Disqualified Capital Stock), or any option, warrant or other right to acquire Capital Stock or Preferred Equity (other than Disqualified Capital Stock) of the Ultimate Parent ~~(other than any Capital Stock or any option, warrant or other right to acquire Capital Stock issued in connection with the Plan of Reorganization)~~.

~~"**Equity Offering**" means a private or public offering for cash by the Ultimate Parent or any Parent Entity, as applicable, of its Capital Stock (in the case of any Parent Entity, to the extent such cash proceeds are contributed to the Ultimate Parent), other than (x) an issuance to any Subsidiary of the Ultimate Parent, (y) any offering of Capital Stock issued in connection with a transaction that constitutes a Change of Control or (z) any offering of Disqualified Capital Stock.~~

"**Euroclear**" means Euroclear Bank S.A./N.V.

"**Event of Default**" has the meaning specified in Section 6.01.

~~"**Excluded Accounts**" shall mean (a) all accounts used exclusively for escrow, fiduciary, trust or tax withholding purposes funded in the ordinary course of business or required by applicable law, (b) accounts used only for payroll obligations, (c) all accounts holding cash securing obligations in respect of certain returned aircraft, (d) to the extent deemed property of a Parent Guarantor, the Issuer or any Restricted Subsidiary, accounts referenced in the Cash Management Agreement, dated as of December 12, 2017, by and among Aerovías del Continente Americano S.A. Avianca, as seller and servicer, USAVflow Limited, as purchaser and Citibank N.A, as administrative agent and collateral agent and any funds in all such accounts and (e) to the extent deemed property of a Parent Guarantor, the Issuer or any Restricted Subsidiary, accounts referenced in that certain Assignment and Security Agreement, dated as of June 16, 2015, among Taca International Airlines, S.A., as Pledgor, Fiduciaria Bogotá S.A., as Collateral Trustee, and Banco de Bogotá S.A., New York Agency, as Bank, and any funds in all such accounts.~~

"**Excluded Accounts**" has the meaning specified in the Collateral Trust Agreements.

"**Excluded Assets**" has the meaning specified in the Collateral Trust Agreements.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Exchange Notes**" has the meaning specified in the preamble of this Indenture and shall be in the form of Exchange Note set forth in Exhibit A.

~~"**Excluded Assets**" shall mean (a) any particular assets, if the pledge thereof or security interest therein is (x) prohibited by applicable law (including rules and regulations of any Governmental Authority) or (y) prohibited or restricted by the contract, lease, license or other agreement governing such asset with a counterparty that is not a Parent Guarantor, the Issuer, a Restricted Subsidiary or an Affiliate thereof and that exists as of the Issue Date in each case of clause (x) and (y), except to the extent any such prohibition or restriction would be rendered ineffective or the enforcement thereof would be stayed under applicable provisions of the Uniform Commercial Code of any relevant jurisdiction or any other applicable law (including Bankruptcy Law) or principles of equity, (b) any rights and benefits of a Parent Guarantor, the Issuer or any Restricted Subsidiary under any credit card processing agreements relating to Specified Sales (as such term is defined in that certain Contract Rights and Receivables Sale, Purchase and Servicing Agreement among Aerovías del Continente Americano S.A. Avianca, as Seller and Servicer, and USAVFlow Limited, as Purchaser dated December 12, 2017) of the type in existence as of the Issue Date or any cash or other proceeds of any such rights and benefits, subject only to any rights of the Debtors obtained by the Final DIP Order in connection with a final disposition of the adversary proceeding styled Avianca Holdings S.A., et al. v. USAVFlow Limited (In re Avianca Holdings S.A. et al.), Adv. Proc. No. 20-01189 (MG) and (c) any Excluded Accounts; *provided*, that Excluded Assets shall not include (A) any proceeds of any Excluded Assets unless such proceeds would otherwise constitute Excluded Assets, and (B) any Capital Stock of LifeMiles, the five cargo aircraft listed on Schedule II, or in each case, any proceeds thereof.~~

~~"**Exit Notes**" means, jointly, the Tranche A-1 Exit Notes and the Tranche A-2 Exit Notes.~~

"**~~Exit~~Exchange Note Guarantees**" means~~, jointly, the Tranche A-1 Exit Note~~ the ~~G~~guarantees ~~and~~of the ~~Tranche A-2 Exit~~Exchange Notes by a Guarantee~~s~~or pursuant to this Indenture.

"**Exchange Offer Memorandum**" means the Exchange Offer and Consent Solicitation Memorandum of the Company dated as of January 14, 2025.

"**Existing Collateral Documents**" means the Collateral Documents that secure the Exit Notes immediately prior to the Issue Date, but after giving effect to the Collateral Release.

"**Existing Collateral Trust Agreement**" means that certain Collateral Trust Agreement, dated as of December 1, 2021, by and among the Issuer, the Grantors party thereto, WILMINGTON SAVINGS FUND SOCIETY, FSB, the Existing Collateral Trustee, the trustee for the Stub Notes and each Additional Parity Lien Representative party thereto from time to time, including the Trustee and the trustee for the Refinancing Notes pursuant to one or more joinders, to be dated as of the Issue Date, as the same may be amended, supplemented, modified or otherwise changed from time to time.

"**Existing Collateral Trustee**" has the meaning specified in the preamble of this Indenture.

"**Expiration Date**" has the meaning specified in Section 1.05(j).

"**Fair Market Value**" means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction; *provided* that the Fair Market Value of any such asset or assets will be determined conclusively by the board of directors of the Ultimate Parent or the Company acting in good faith, and will be evidenced by a board resolution.

"**Finance Lease Obligation**" means, with respect to any Person, any obligation that is required to be classified and accounted for as a finance lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"**Fitch**" means Fitch Ratings, Ltd. and its successors.

"**Fixed Charge Coverage Ratio**" means, as of any date of determination, the ratio of the aggregate amount of Consolidated EBITDAR for such Person for the four most recent full fiscal quarters for which financial statements are required to be provided pursuant to Section 8.01 ending on or prior to the date of such determination to Fixed Charges for such Person for the four most recent full fiscal quarters for which financial statements are required to be provided pursuant to Section 8.01 ending on or prior to the date of such determination (subject to the last paragraphs of the definitions of "Consolidated EBITDAR" and "Fixed Charges").

"**Fixed Charges**" means, with respect to any specified Person and its Restricted Subsidiaries for any period, the sum, without duplication, of:

(i) the consolidated interest expense (net of interest income) of such Person and its Restricted Subsidiaries for such period to the extent that such interest expense is payable in cash (and such interest income is receivable in cash); plus

(ii) the interest component of leases that are capitalized in accordance with IFRS of such Person and its Restricted Subsidiaries for such period to the extent that such interest component is related to lease payments payable in cash; plus

(iii) other than for purposes of calculating Consolidated EBITDAR, any scheduled principal payments due with respect to Indebtedness of such Person or any of its Restricted Subsidiaries or of another Person that is guaranteed by such specified Person or any of its Restricted Subsidiaries or secured by assets of such specified Person or any of its Restricted Subsidiaries in cash for such period by such specified Person and its Restricted Subsidiaries for such period; plus

(iv) any interest expense actually paid in cash for such period by such specified Person or any of its Restricted Subsidiaries on Indebtedness of another Person that is guaranteed by such specified Person or any of its Restricted Subsidiaries or secured by a Lien on assets of such specified Person or any of its Restricted Subsidiaries; plus

(v) all dividends or distributions payable in cash on any series of Disqualified Capital Stock or Preferred Stock of such Person or any series of Disqualified Capital Stock or Preferred Stock of its Restricted Subsidiaries; plus

(vi) the aircraft rent expense of such Person and its Restricted Subsidiaries for such period to the extent that such aircraft rent expense is payable in cash, all as determined on a consolidated basis in accordance with IFRS.

~~Subject to any pro forma adjustments made pursuant to Section 4.08(a), Fixed Charges of the Ultimate Parent (on a pro forma basis as if the Ultimate Parent owned Avianca Holdings S.A.'s Subsidiaries as of such date) shall be deemed to be (i) for the fiscal quarter ended September 30, 2020: $106,202.3 thousand, (ii) for the fiscal quarter ended March 31, 2021: $ 224,572.1 thousand, (iii) for the fiscal quarter ended June 30, 2021: $252,533.5 thousand and (iv) for the fiscal quarter ended September 30, 2021: $286,564.4 thousand.~~

"**Gates**" shall mean, at any time, all of the right, title, privilege, interest and authority, now held or hereafter acquired, of the Issuer or any Guarantor in connection with the right to use or occupy holdroom and passenger boarding and deplaning space in an airport terminal at any airport at which the Issuer or any such Guarantor conducts scheduled operations.

"**Global Note**" means a global note representing the ~~Tranche A-1 Exit~~Exchange Notes substantially in the form attached hereto as Exhibit A.

"**Global Note Legend**" means the following legend, printed in capital letters:

"UNLESS THIS GLOBAL NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK LIMITED PURPOSE TRUST COMPANY ("DTC"), TO THE COMPANY NAMED HEREIN (THE "COMPANY") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE IN WHOLE SHALL BE LIMITED TO TRANSFERS TO A NOMINEE OF DTC OR BY A NOMINEE OF DTC TO DTC OR ANOTHER NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR

DEPOSITARY AND TRANSFERS OF THIS GLOBAL NOTE IN PART SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE AND REFERRED TO ON THE REVERSE HEREOF."

"**Governmental Authority**" shall mean the government of Bahamas, Bermuda, Canada, Costa Rica, Curacao, El Salvador, Guatemala, Honduras, the United Kingdom, the United States of America, Mexico, Nicaragua, Colombia, Ecuador and any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank organization, or other entity exercising executive, legislative, judicial, taxing or regulatory powers or functions of or pertaining to government. Governmental Authority shall not include any Person in its capacity as an Airport Authority.

"**guarantee**" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any Person; *provided* that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"**Guarantor**" means (i) each of the Parent Guarantors, Avianca Group (UK) Limited, Aeroinversiones de Honduras, S.A., Aerovías del Continente Americano S.A. Avianca, Airlease Holdings One Ltd., America Central (Canada) Corp., America Central Corp., AV International Holdco S.A., AV International Holdings S.A., AV International Investments S.A., AV International Ventures S.A., AV Investments One Colombia S.A.S., AV Investments Two Colombia S.A.S., AV Loyalty Bermuda Ltd., AV Taca International Holdco S.A., Aviacorp Enterprises, S.A., Avianca Costa Rica S.A., Avianca ~~Leasing, LLC, Avianca~~, Inc., Avianca-Ecuador S.A., Aviaservicios, S.A., Aviateca, S.A., C.R. Int'l Enterprises, Inc., Grupo Taca Holdings Limited, International Trade Marks Agency Inc., Inversiones del Caribe, S.A., Latin Airways Corp., Latin Logistics, LLC, LifeMiles Ltd., LifeMiles Trading Co International Ltd., LifeMiles Trading Co. Costa Rica S.R.L., LifeMiles US Finance LLC, LoyaltyCo, S.A. de C.V., Nicaragüense de Aviación, Sociedad Anónima, Regional Express Américas S.A.S., Ronair N.V., Servicio Terrestre, Aéreo y Rampa S.A. ~~, Servicios Aeroportuarios Integrados SAI S.A.S.~~, Taca de Honduras, S.A. de C.V., Taca de México, S.A., Taca International Airlines S.A., Taca S.A., Tampa Cargo S.A.S. and Technical and Training Services, S.A. de C.V. and (ii) each Person that executes a supplemental indenture in the form of Exhibit B providing for the guarantee of the payment of the ~~Tranche A-1 Exit~~Exchange Notes, or any successor obligor under the ~~Tranche A-1 Exit~~Exchange Note Guarantee pursuant to Section 5.02, in each case unless and until such Guarantor is released from its ~~Tranche A-1 Exit~~Exchange Note Guarantee pursuant to this Indenture.

"**Hedging Obligations**" means, with respect to any Person, the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement designed to protect such Person against changes in interest rates or foreign exchange rates.

"**Holder**" or "**Holder of ~~a Tranche A-1 Exit~~an Exchange Note**" means the Person in whose name ~~a Tranche A-1 Exit~~an Exchange Note is registered on the Registrar's books.

"**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board, as in effect from time to time.

"**Indebtedness**" means, with respect to any Person, without duplication:

(i) the principal of and premium, if any, in respect of (a) indebtedness of such Person for money borrowed and (b) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; *provided*, however, that any warrants that by reason of their accounting treatment under IAS32 would be treated as a financial liability shall not be construed as Indebtedness solely as the result of such treatment;

(ii) all Finance Lease Obligations of such Person; ~~*provided*, however, that any portion of such Finance Lease Obligations that is expected to be deemed fully satisfied pursuant to the Plan of Reorganization shall not be construed as Indebtedness in a manner consistent with US GAAP fresh start accounting rules regardless of any treatment under IFRS;~~

(iii) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but in each case excluding trade accounts payable or other short-term obligations, in each case arising in the ordinary course of business);

(iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar instrument (other than obligations with respect to letters of credit securing obligations entered into in the ordinary course of business of such Person if, to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(v) all net obligations due and payable under Hedging Obligations of such Person;

(vi) all obligations of the type referred to in clauses (i) through (v) of other Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other Persons that are customers or suppliers of such Person for which such Person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such Person does not, or is not required to, make payment in respect thereof); and

(vii) all obligations of the type referred to in clauses (i) through (v) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured.

Notwithstanding the foregoing, trade payables incurred in the ordinary course of business shall not constitute "Indebtedness."

"**Indenture**" means this Indenture, as amended or supplemented from time to time in accordance with the provisions hereof.

"**Initial ~~Tranche A-1 Exit~~Exchange Notes**" means the U.S.$~~1,111,936,821~~ in aggregate principal amount of ~~Tranche A-1 Exit~~Exchange Notes issued on the Issue Date.

"**Intercompany Strategic Advisory Services Agreement**" means that certain intercompany strategic advisory services agreement dated as of December 18, 2024 by and between Abra Group Limited and Aerovías del Continente Americano S.A. Avianca (as amended, restated, supplemented, renewed, extended, replaced or otherwise modified from time to time).

"**interest**" on ~~a Tranche A-1 Exit~~an Exchange Note means the interest on such ~~Tranche A-1 Exit~~Exchange Note (including any Additional Amounts payable by the Company in respect of such interest).

"**Interest Payment Date**" means the Payment Date of an installment of interest on the ~~Tranche A-1 Exit~~Exchange Notes.

"**Investments**" means, with respect to any Person, any:

(i) direct or indirect loan, advance or other extension of credit (including, without limitation, a guarantee or assumption of Indebtedness) to any other Person (other than advances or extensions of credit to customers in the ordinary course of business);

(ii) capital contribution (by means of any transfer of cash or other property or contract to others or any payment for property or services for the account or use of others) to any other Person;

(iii) any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person; or

(iv) advances by such Person for future capital contributions in any other Person.

"**Investment**" will exclude accounts receivable or deposits arising in the ordinary course of business. "Invest," "Investing" and "Invested" have corresponding meanings.

"**IP Pledge**" means a first-priority perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest or mortgage in the intellectual property held by the Issuer and the Guarantors, in each case, as provided for in the intellectual property pledges set forth in Schedule II or provided pursuant to Section 4.11(a).

"**issue**" means issue, assume, guarantee, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be issued by such Subsidiary at the time it becomes a Subsidiary; and the term "issuance" has a corresponding meaning.

"**Issue Date**" means ~~December 1~~ , ~~2021~~2025.

"**Issuer**" has the meaning specified in the preamble of this Indenture.

"**legal defeasance option**" has the meaning specified in Section 8.01.

"**Lien**" means any lien, mortgage, pledge, security interest, encumbrance, conditional sale or other title retention agreement or other similar lien; *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"**LifeMiles**" means LifeMiles Ltd., an exempted company limited by shares continued into and now existing under the laws of Bermuda.

"**LifeMiles Agreements**" ~~shall~~ means all currently existing, future and successor co-branding agreements, partnering agreements, airline-to-airline frequent flyer program agreements or similar agreements related to or entered into in connection with the Loyalty Program.

~~"**LifeMiles**" shall mean LifeMiles Ltd., an exempted company limited by shares continued into and now existing under the laws of Bermuda.~~

"**Liquidity**" means the sum of (i) all unrestricted cash and Cash Equivalents of the Parent Guarantors, the Company and the Restricted Subsidiaries which is not (x) subject to any Lien or control agreement (excluding statutory liens in favor of any depositary bank where such cash is maintained or any Lien granted to the Collateral Trustee under the applicable Collateral Documents) or (y) held as deposits or security for contractual obligations of the Parent Guarantors, the Company and the Restricted Subsidiaries, (ii) the aggregate principal amount committed and available to be drawn by the Parent Guarantors, the Company and the Restricted Subsidiaries (taking into account all borrowing base limitations or other restrictions and conditions) under all revolving credit facilities of the Parent Guarantors, the Company and the Restricted Subsidiaries and (iii) the scheduled net proceeds (after giving effect to any expected repayment of existing Indebtedness using such proceeds or other uses of such proceeds) of any Capital Markets Offering of the Parent Guarantors, the Company or the Restricted Subsidiaries that has priced but has not yet closed (until the earliest of the closing thereof, the termination thereof without closing, the date that falls five (5) Business Days after the initial scheduled closing date thereof and the date that falls within fifteen (15) Business Days after the date of the pricing thereof).

"**Loyalty Program**" shall mean any customer loyalty program available to individuals (i.e., natural persons) that grants members in such program Currency based on a member's purchasing behavior and that entitles a member to accrue and redeem such Currency for a benefit or reward, including flights and/or other goods and services.

"**Material Adverse Effect**" shall mean a material adverse effect on (a) the consolidated business, operations or financial condition of the Ultimate Parent and its Subsidiaries, taken as a whole (other than resulting from or related to ~~(i)~~ any matters publicly disclosed prior to the Issue Date ~~and (ii) the COVID-19 pandemic~~), (b) the validity or enforceability of any of this Indenture or the Collateral Documents or the rights or remedies of the Agents and the Holders hereto, (c) the validity, perfection and priority of the Liens on the Collateral (taken as a whole) in favor of the Collateral Trustees (for ~~its~~their benefit and for the benefit of the other Secured Parties), or (d) the ability of the Issuer and the Guarantors, collectively, to fulfill the obligations hereto.

"**Maturity**" means, when used with respect to any ~~Tranche A-1 Exit~~Exchange Note, the date on which the outstanding principal of and interest on such ~~Tranche A-1 Exit~~Exchange Note becomes due and payable as therein or herein provided, whether by declaration of acceleration, call for redemption or otherwise.

"**Minimum Rating**" means a rating of BB or higher by ~~Standard & Poor's~~S&P or Fitch or Ba2 or higher by Moody's.

"**Moody's**" means Moody's Investors Service, Inc. and its successors and assigns.

"**Non-Guarantor Subsidiary**" means any Subsidiary that is not a Guarantor.

"**Offer to Purchase**" has the meaning specified in Section 4.10.

"**Officer**" means the president or chief executive officer, any vice president, the chief financial officer, the legal representative, the treasurer or any assistant treasurer, or the secretary or any assistant secretary, of the applicable Issuer or Guarantor or any other Person duly appointed by the shareholders or the board of directors of the applicable Issuer or Guarantor to perform corporate duties.

"**Officers' Certificate**" means a certificate signed by any two Officers of the Issuer or applicable Guarantor and delivered to the Trustee; *provided*, that, if any Guarantor has only one Officer, then only such Officer is required to sign any Officers' Certificate.

"**Opinion of Counsel**" means a written opinion of legal counsel of recognized standing (who may be an employee of or counsel to the Issuer or any Guarantor) and who shall be reasonably acceptable to the Trustee, which opinion is in a form reasonably satisfactory to the Trustee.

"**Original Issue Discount Legend**" means the following legend, printed in capital letters:

"THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" FOR PURPOSES OF SECTIONS 1271-1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. A HOLDER OR BENEFICIAL OWNER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR THIS NOTE BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO THE ISSUER AT THE ADDRESS PROVIDED IN THE INDENTURE."

"**Outstanding**" means, when used with respect to ~~Tranche A-1 Exit~~Exchange Notes, as of the date of determination, all ~~Tranche A-1 Exit~~Exchange Notes theretofore authenticated and delivered under this Indenture, except:

(i) ~~Tranche A-1 Exit~~Exchange Notes theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(ii) ~~Tranche A-1 Exit~~Exchange Notes for whose payment or redemption money in the necessary amount has been theretofore deposited with any Paying Agent (other than the Company)

in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such ~~Tranche A-1 Exit~~Exchange Notes; *provided* that if such ~~Tranche A1 Exit~~Exchange Notes are to be redeemed pursuant to Section 3.01, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(iii) ~~Tranche A-1 Exit~~Exchange Notes, except to the extent provided in Sections 8.01 and 8.02, with respect to which the Company has effected legal defeasance and/or covenant defeasance as provided in Article 8; and

(iv) ~~Tranche A-1 Exit~~Exchange Notes in exchange for or in lieu of which other ~~Tranche A-1 Exit~~Exchange Notes have been authenticated and delivered pursuant to this Indenture, other than any such ~~Tranche A-1 Exit~~Exchange Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such ~~Tranche A-1 Exit~~Exchange Notes are held by a bona fide purchaser or protected purchaser in whose hands such ~~Tranche A-1 Exit~~Exchange Notes are valid obligations of the Company; *provided*, *however*, that in determining whether the Holders of the requisite principal amount of Outstanding ~~Tranche A-1 Exit~~Exchange Notes have given any request, demand, authorization, direction, consent, notice or waiver hereunder, ~~Tranche A-1 Exit~~Exchange Notes owned by a Parent Guarantor, the Company or any of their Subsidiaries shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, consent, notice or waiver, only ~~Tranche A-1 Exit~~Exchange Notes which a Responsible Officer of the Trustee has received written notice at its address specified herein of being so owned shall be so disregarded. ~~Tranche A-1 Exit~~Exchange Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee, the pledgee's right so to act with respect to such ~~Tranche A-1 Exit~~Exchange Notes and that the pledgee is not the Company, or any other obligor under the ~~Tranche A-1 Exit~~Exchange Notes or any of its or such other obligor's Affiliates.

"**Owned Material Real Property**" means any Real Property owned in fee by the Issuer or any Guarantor that has a fair market value (as determined in good faith by an Officer of the Issuer) of $50.0 million or more.

"**Parent Entity**" means any direct or indirect parent of the Company.

"**Parent Guarantor**" means Ultimate Parent, AVN Flight Cayman Limited, Avianca Midco 1 Limited and any Subsidiary of Ultimate Parent (that is not a Subsidiary of the Company) that has become a Guarantor pursuant to Section 4.12(b).

"**Paying Agent**" means the Principal Paying Agent and any other Person authorized by the Company to pay the principal of or interest on any ~~Tranche A-1 Exit~~Exchange Notes on behalf of the Issuer hereunder.

"**Payment Date**" means an Interest Payment Date or the date on which payment of principal of the ~~Tranche A-1 Exit~~Exchange Notes is due.

"**Permitted Affiliate Transaction**" means any or all of the following:

(i) An Affiliate Transaction that constitutes a Strategic Investment or Asset Acquisition, provided that the consideration therefor is paid in the form of Equity Consideration; and

(ii) An Affiliate Transaction that constitutes a Strategic Investment or Asset Acquisition as permitted under, and made pursuant to, clause (xix) of the definition of Permitted Investments and that has been duly approved in accordance with the Ultimate Parent's or the Company's organizational documents and shareholders' agreement, provided that any consideration in respect of such Permitted Affiliate Transaction shall not exceed the Affiliate Cash Consideration Cap unless such excess shall be payable solely in the form of Equity Consideration.;

(iii) (x) the Intercompany Strategic Advisory Services Agreement as in effect on the Issue Date and (y) any other agreement in effect on the Issue Date (and performance thereunder) or, in each case, any amendment, replacement, extension or renewal, so long as, such agreement, as so amended, replaced, extended or renewed is not materially less advantageous, taken as a whole, to the holders than the original agreement as in effect on the Issue Date;

(iv) (x) any employment agreement, confidentiality agreement, non-competition agreement, incentive plan, employee stock option agreement, long-term incentive plan, profit sharing plan, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Ultimate Parent or any of its Subsidiaries in the ordinary course of business and payments pursuant thereto and (y) payment of fees, compensation, reimbursements of expenses (pursuant to indemnity arrangements or otherwise) and reasonable and customary indemnities provided to or on behalf of officers, directors, employees or consultants of the Ultimate Parent, any Parent Entity or any of their respective Subsidiaries; and

(v) Permitted Investments and Restricted Payments that do not violate Section 4.19.

"**Permitted Holders**" means any or all of the following:

(i) United, South Lake One Subco LLC, Kingsland International Group, S.A., Elliott Associates, L.P. and, Elliott International, L.P.; and, Mobi Fundo de Investimento em Ações Investimento no Exterior, and Global Kiboko SL;

(ii) any Affiliate of any one or more of the Persons described in (i). (including, as of the Issue Date, Abra Group Limited); and

(iii) any Person or group in which the Permitted Holders, directly or indirectly, beneficially own (as such term is used in Rule 13d-3 under the Exchange Act) more than fifty (50%) of the outstanding Voting Stock.

"**Permitted Investments**" means:

(i) Investments by a Parent Guarantor, the Company or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into a Parent Guarantor, the Company or with or into a Restricted Subsidiary;

(ii) Investments by a Parent Guarantor or any Restricted Subsidiary in the Company;

(iii) Investments in cash and Cash Equivalents;

(iv) Investments in existence on the Issue Date;

(v) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);

(vi) Investments received as a result of the bankruptcy or reorganization of any Person or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;

(vii) Investments made by a Parent Guarantor, the Company or the Restricted Subsidiaries as a result of non-cash consideration received in connection with an Asset Sale;

(viii) Investments in the form of Hedging Obligations;

(ix) receivables owing to a Parent Guarantor, the Company or any Restricted Subsidiary created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided* that such trade terms may include such concessionary trade terms as such Parent Guarantor, the Company or any such Restricted Subsidiary deems reasonable under the circumstances and that are consistent with industry practice;

(x) ~~[Reserved]~~guarantees of Indebtedness of Wamos permitted in accordance with Section 4.08(b)(13) or any payment in respect thereof;

(xi) any Investment acquired solely in exchange for Qualified Capital Stock of the Ultimate Parent;

(xii) [Reserved];

(xiii) payroll, travel, moving and other loans or advances to, or guarantees issued to support the obligations of, officers and employees, in each case in the ordinary course of business;

(xiv) extensions of credit and prepayment of expenses to customers, suppliers, utility providers, licensees, franchisees and other trade creditors in the ordinary course of business consistent with past practice;

(xv) any Investment in any Restricted Subsidiary or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business consistent with past practice;

(xvi) Investments in the nature of deposits with respect to leases provided to third parties in the ordinary course of business;

(xvii) Investments in negotiable instruments received in the ordinary course and held for collection;

(xviii) Strategic Investments and Asset Acquisitions by a Parent Guarantor, the Company or any of the Restricted Subsidiaries, to the extent the consideration therefor consists of Equity Consideration; and

(xix) Strategic Investments and Asset Acquisitions by a Parent Guarantor, the Company or any of the Restricted Subsidiaries in an aggregate amount not to exceed U.S.$175,000,000 outstanding at any one time (with the Fair Market Value of each such Investment being measured at the time made and without giving effect to subsequent changes in value), to the extent the consideration therefor is payable in cash or Cash Equivalents.

"**Permitted Liens**" means any of the following Liens:

(i) Liens existing on the Issue Date (other than pre-existing Liens on the Stub Notes, which Liens shall be deemed incurred pursuant to clause (xix) and not under this clause (i)) and any extension, renewal or replacement thereof (provided, for the avoidance of doubt, that upon the issuance of the ~~Exit~~Exchange Notes and the Refinancing Notes, any Liens securing ~~such Exit~~the Exchange Notes and Refinancing Notes on the Issue Date shall be deemed incurred pursuant to clause (xix) and not under this clause (i));

(ii) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith, if such reserve or other appropriate provision, if any, as shall be required by IFRS shall have been made in respect thereof;

(iii) (a) licenses, sublicenses, leases or subleases granted by the Parent Guarantors, the Company or any of the Restricted Subsidiaries to other Persons not materially interfering with the conduct of the business of the Parent Guarantors, the Company or any of the Restricted Subsidiaries and (b) any interest or title of a lessor, sublessor or licensor under any lease or license agreement permitted by the Indenture to which the Parent Guarantors, the Company or any Restricted Subsidiary is a party;

(iv) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, customs duties, bids, leases, government performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(v) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(vi) Liens on patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to the extent such Liens arise from the granting of license to use such patents, trademarks, service marks, trade names, copyrights, technology, know-how and processes to any Person in the ordinary course of business of the Parent Guarantors, the Company or any of the Restricted Subsidiaries;

(vii) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(viii) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Parent Guarantors, the Company or a Restricted Subsidiary, including rights of offset and set-off;

(ix) Liens for taxes, assessments or other governmental charges not yet subject to penalties for non-payment or which are being contested in good faith by appropriate proceedings, provided that appropriate reserves required pursuant to IFRS have been made in respect thereof;

(x) encumbrances, ground leases, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or liens incidental to the conduct of the business of such Person or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(xi) deposits in the ordinary course of business securing liability for reimbursement obligations of insurance carriers providing insurance to the Parent Guarantors, the Company or the Restricted Subsidiaries and any Liens thereon;

(xii) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired;

(xiii) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary institution;

(xiv) Liens securing Hedging Obligations;

(xv) Liens to secure any Permitted Refinancing Indebtedness incurred in accordance with Section 4.08 if the applicable Refinanced Indebtedness has been secured by a Lien permitted under the covenant described under Section 4.21 and was not incurred pursuant to clause (xx); *provided* that such new Liens:

(A) are no less favorable to the Holders of Notes and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced; and

(B) do not extend to any property or assets other than the property or assets securing the applicable Refinanced Indebtedness;

(xvi) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to a Parent Guarantor, the Company or any Restricted Subsidiary; *provided* that any such Liens that constitute an Investment shall be permitted pursuant to Section 4.19;

(xvii) Liens securing Acquired Indebtedness incurred in accordance with Section 4.08 not incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation; *provided* that

(A) such Liens secured such Acquired Indebtedness at the time of and prior to the incurrence of such Acquired Indebtedness by a Parent Guarantor, the Company or a Restricted Subsidiary and were not granted in connection with, or in anticipation of the incurrence of such Acquired Indebtedness by a Parent Guarantor, the Company or a Restricted Subsidiary; and

(B) such Liens do not extend to or cover any property of a Parent Guarantor, the Company or any Restricted Subsidiary other than the property that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of a Parent Guarantor, the Company or a Restricted Subsidiary and are no more favorable to the lienholders than the Liens securing the Acquired Indebtedness prior to the incurrence of such Acquired Indebtedness by a Parent Guarantor, the Company or a Restricted Subsidiary;

(xviii) purchase money Liens securing Purchase Money Indebtedness or Finance Lease Obligations incurred to finance the acquisition or leasing of property of a Parent Guarantor, the Company or a Restricted Subsidiary; *provided* that:

(A) the related Purchase Money Indebtedness does not exceed the cost of such property and will not be secured by any property of any Parent Guarantor, the Company or any Restricted Subsidiary other than the property so acquired; and

(B) the Lien securing such Indebtedness will be created within 180 days of such acquisition;

(xix) Liens ~~in respect of Loyalty Program assets (including those constituting Collateral) securing Indebtedness incurred pursuant to Section 4.08(b)(13); *provided* that (a) the property subject to such Liens shall be of the same type as the property securing the Indebtedness of LifeMiles as in effect on the Issue Date, (b) the terms of such Liens shall be substantially the same or no more favorable to the holders thereof than the terms of such Liens securing the Indebtedness of LifeMiles as in effect on the Issue Date or required to be granted thereafter pursuant to Section 4.13, and (c) such Liens shall not impair the Liens of the Collateral Trustee on the terms as in~~

~~effect on the Issue Date or required to be granted thereafter pursuant to Section 4.13;~~on the Collateral (or any portion thereof), securing obligations under (i) the Stub Notes and/or the Stub Notes Guarantees (excluding any additional Stub Notes); (ii) the Exchange Notes (excluding any Additional Exchange Notes) and/or the Exchange Notes Guarantees; and/or (iii) the Refinancing Notes (excluding any additional Refinancing Notes) and/or the Refinancing Notes Guarantees as of the Issue Date, and, in each case, any obligations owing to the respective trustee and/or collateral trustee under the indenture, collateral documents and/or intercreditor agreements governing the applicable series of debt securities;

(xx) Liens on the Collateral ~~ranking equally and ratably with the Tranche A-1 Exit Notes and the Tranche A-2 Exit Notes~~(or any portion thereof), securing Permitted Refinancing Indebtedness with respect to the ~~Exit~~Exchange Notes, Stub Notes and/or Refinancing Notes (including, without limitation, in the form of Additional ~~Tranche A-1 Exit~~Exchange Notes and/or additional Refinancing Notes) or other Indebtedness satisfying the requirements ~~in~~of the definition of Permitted Refinancing Indebtedness after any voluntary refunding, replacement, redemption, repurchase, defeasance, acquisition, repayment, prepayment, retirement or extinguishment of any ~~Exit Notes, assuming such Indebtedness was incurred at the time of such refunding, replacement, redemption, repurchase, defeasance, acquisition, repayment, prepayment, retirement or extinguishment, in an amount outstanding at any one time not to exceed $1,695,807,454 (or the equivalent in other currencies), less (a) the amount of any mandatory refunding, replacement, redemption, repurchase, defeasance, acquisition, repayment, prepayment, retirement or extinguishment of any Exit Notes or Indebtedness under Additional Secured Debt Facilities and less (b) the amount of any Indebtedness secured by Liens pursuant to clause (xxiii)(b) below;~~Exchange Notes, Stub Notes and/or Refinancing Notes;

(xxi) Liens securing the RCF Loan Agreement, the ~~Engine Loan Facility, the~~ USAVflow Facility, the ~~Banco de Bogota~~Taca Credit Card ~~Receivables~~Securitization Facility and any successor facilities thereto secured by ~~Collateral~~assets consisting of spare parts, engines, credit card receivables and any other assets of the type securing or required to secure the RCF Loan Agreement, the ~~Engine Loan Facility, the~~ USAVflow Facility and the ~~Banco de Bogota~~Taca Credit Card ~~Receivables~~Securitization Facility on the Issue Date, securing an amount of Indebtedness outstanding at any one time (together with any Sale and Leaseback Transaction) not to exceed U.S.$~~485,000,000~~635,000,000 (or the equivalent in other currencies);

(xxii) Liens in respect of non-aircraft lease liabilities, real property, information technology and any other non-aircraft assets of the type securing Indebtedness incurred under Sections 4.08(b)(1) through (~~12~~15) on the Issue Date (other than in connection with any capital expenditures incurred for purposes of aircraft reconfiguration or any Aircraft Indebtedness) in an amount outstanding at any one time (together with any Sale and Leaseback Transaction) not to exceed U.S.$90,000,000 (or the equivalent in other currencies);

(xxiii) Liens ranking junior to the Liens under the Collateral Trust Agreement securing Qualified Junior Indebtedness in an amount of Qualified Junior Indebtedness outstanding at any one time (together with any Sale and Leaseback Transaction) not to exceed the sum of (a) U.S.$125,000,000 (or the equivalent in other currencies) and (b) an amount equal to (i) any amounts repaid or redeemed in respect of the ~~Exit~~Exchange Notes, Stub Notes or Refinancing Notes or Indebtedness under Additional Secured Debt Facilities after the Issue Date (other than

from in connection with any mandatory refunding, replacement, redemption, repurchase, defeasance, acquisition, repayment, prepayment, retirement or extinguishment) less (ii) the amount of any Indebtedness incurred after the Issue Date secured by Liens pursuant to clause (xx) above;

(xxiv) Liens on aircraft, spare parts and engines securing Aircraft Indebtedness ~~constituting Permitted Indebtedness; and~~;

(xxv) Liens on Capital Stock of any Unrestricted Subsidiary securing any obligations of such Unrestricted Subsidiary (but not any obligations of a Parent Guarantor, the Issuer or any Restricted Subsidiary)~~.~~; and

~~"**Permitted LifeMiles Refinancing Indebtedness**" means any Permitted Refinancing Indebtedness with respect to any Indebtedness of LifeMiles; *provided* (a) if provided by any Permitted Holder, any Affiliate of any Permitted Holder or any other Affiliate of the Ultimate Parent, the terms of such Permitted Refinancing Indebtedness shall, in any event, be no more favorable to the lenders or providers thereof than the terms of the Indebtedness of LifeMiles as in effect on the Issue Date, (b) such Indebtedness shall not be secured by Liens on any property other than property of the type that secures the Indebtedness of LifeMiles as in effect on the Issue Date or required to be granted thereafter pursuant to Section 4.13 and (c) at the time of incurrence thereof, the Collateral Trustee shall have a perfected Lien on the property relating to LifeMiles and its Loyalty Programs that is no less favorable than its Lien in existence or required to be in existence on the Issue Date or required to be granted thereafter pursuant to Section 4.13.~~

(xxvi) Liens securing Indebtedness in an aggregate principal amount outstanding at any one time not to exceed $150,000,000.

For purposes of determining compliance with Section 4.21, in the event that a Lien may be incurred pursuant to the criteria of more than one of the categories of Permitted Liens described in this definition, the Issuer shall, in its sole discretion, classify such Lien and may divide and/or classify such Lien in more than one of the categories of Permitted Liens described in this definition and may later divide and/or reclassify any Lien described in more than one of the categories of Permitted Liens described in this definition; *provided* that at the time of reclassification, such Lien meets the criteria in such category or categories; and *provided further* that Liens securing the Stub Notes, the Exchange Notes and the Refinancing Notes shall be deemed incurred pursuant to clause (xix) of this definition and may not be reclassified.

"**Permitted Refinancing Indebtedness**" means with respect to any Indebtedness (the "**Refinanced Indebtedness**"), the incurrence of any Indebtedness in exchange for or as a replacement of, or the net proceeds of which are to be used for the purpose of any refinancing, refunding, replacing, redeeming, repurchasing, defeasing, acquiring, repaying, prepaying, retiring or extinguishing such Indebtedness (collectively, to "**Refinance**" or a **"Refinancing**" or "**Refinanced**"); *provided* that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Refinanced Indebtedness except by an amount equal to unpaid accrued interest thereon plus defeasance costs, other amounts paid, and fees, commissions and expenses (including upfront fees or similar fees, original issue discount or initial yield payments) incurred, in connection with such Refinancing, (b) the Indebtedness resulting from such Refinancing has a final maturity date equal to or later

than the earlier of the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being Refinanced, (c) if the Refinanced Indebtedness is subordinated in right of payment to the ~~Tranche A-1 Exit~~Exchange Notes, Indebtedness resulting from such Refinancing is subordinated in right of payment to the ~~Tranche A-1 Exit~~Exchange Notes on terms at least as favorable to the Lenders as those contained in the documentation governing the Refinanced Indebtedness, (d) the Indebtedness resulting from such Refinancing shall not provide for a mandatory prepayment, sinking funds or similar terms that are more onerous to the applicable Parent Guarantor, the Issuer or applicable Restricted Subsidiary than the terms of the Refinanced Indebtedness, and (e) ~~neither a Parent Guarantor, the Issuer not any other~~no Restricted Subsidiary that ~~was~~is not the Issuer or a Guarantor shall be an obligor with respect to ~~the~~such Permitted Refinanc~~ed~~ing Indebtedness ~~shall be an obligor under such Refinancing~~. It is further understood and agreed that a Permitted Refinancing Indebtedness includes (a) successive incurrence of Permitted Refinancing Indebtedness of the same initial Indebtedness. and (b) any refinancing of any aircraft, engines or spare parts lease or debt obligations of a Parent Guarantor, the Company or any of the Restricted Subsidiaries.

"**Permitted Reorganization**" means a reorganization (including, without limitation, pursuant to a solvent winding-up where the assets of the relevant company are distributed to its shareholders, as well as any solvent amalgamation, demerger, merger, dissolution, consolidation or other corporate reconstruction) involving the business or assets of, or shares of (or other interests in), the Ultimate Parent, any other Parent Guarantor, the Issuer and/or any Restricted Subsidiary (other than the Issuer if it will not be the surviving entity of that transaction) where:

(a) if relevant, all of the business, assets and shares of (or other interests in) the Ultimate Parent or the applicable Restricted Subsidiaries are owned directly or indirectly by the Ultimate Parent or the Issuer in the same or a greater percentage as prior to such reorganization (and in the case of the Ultimate Parent or if the applicable Restricted Subsidiary was a Guarantor immediately prior to such reorganization being implemented, all of the business and assets of the Ultimate Parent or such Restricted Subsidiary, as applicable, are retained by one or more other Guarantors), other than:

(i) the shares of (or other interests in) the Ultimate Parent or the Restricted Subsidiary which has been merged into the Ultimate Parent or another Restricted Subsidiary or which has otherwise ceased to exist (including, without limitation, by way of the collapse of a solvent partnership or a dissolution or solvent winding up of an entity) as a result of such a reorganization; or

(ii) any business, assets and/or shares of (or other interests in) the Ultimate Parent or such Restricted Subsidiary which cease to be owned:

(A) as a result of a disposal, merger or other step permitted under the terms of this Indenture; or

(B) as a result of a cessation of business, dissolution or solvent winding-up of the Ultimate Parent or a Restricted Subsidiary

involving a transfer or distribution of all or substantially all of its assets to its immediate shareholders or other persons directly holding partnership or other ownership interests in it or otherwise to another Restricted Subsidiary; and

(b) the Secured Parties will continue to have the same or substantially equivalent (ignoring for these purposes hardening periods and other than from any entity which has ceased to exist as contemplated in clause (a) above) guarantees and security over the same or substantially equivalent assets and over the shares (or other interests) in the transferee or the entity surviving as a result of such reorganization save to the extent such assets or shares (or other interests) cease to exist or to be owned as contemplated in paragraphs (i) or (ii) above, in each case to the extent such assets, shares or other interests are not disposed of as permitted under the terms of this Indenture,

provided that (1) where such reorganization involves merging a Guarantor with another entity, the surviving entity expressly assumes, by a supplemental indenture to this Indenture and supplements to the Collateral Documents, executed and delivered to the Trustee and the applicable Collateral Trustee, all obligations of such Guarantor under the Exchange Notes, the Exchange Note Guarantees, this Indenture and the Collateral Documents, as applicable and (2) the implementation of such reorganization does not have and is not reasonably expected to have a Material Adverse Effect.

"**Person**" means any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, association, company, estate, unincorporated organization, Airport Authority or Governmental Authority or any agency or political subdivision thereof.

~~"**Plan of Reorganization**" means the Plan of Reorganization of Avianca Holdings S.A. and certain of its affiliates, filed on August 11, 2021 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with its terms).~~

"**Preferred Stock**" means, with respect to any Person, any and all preferred or preference stock or other similar Capital Stock (however designated) of such Person whether outstanding or issued after the date of this Indenture.

"**principal**" of ~~a Tranche A-1 Exit~~an Exchange Note means the principal amount of such ~~Tranche A-1 Exit~~Exchange Note.

"**Principal Paying Agent**" means Wilmington Savings Fund Society, FSB, until a successor Principal Paying Agent shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter, "Principal Paying Agent" shall mean such successor Principal Paying Agent.

"**Proceeding**" has the meaning specified in Section 11.09.

"**Process Agent**" has the meaning specified in Section 11.09.

"**Purchase Money Indebtedness**" means Indebtedness incurred for the purpose of financing all or any part of the purchase price, or other cost of construction or improvement of any property; *provided* that the aggregate principal amount of such Indebtedness does not exceed such purchase price or cost, including any refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of the refinancing.

"**Qualified Capital Stock**" means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

"**Qualified Junior Indebtedness**" means any Indebtedness that (i) ranks junior in right of payment to the ~~Exit~~Exchange Notes, (ii) has a Stated Maturity no earlier than 91 days after the Stated Maturity of the ~~Exit~~Exchange Notes and shall have a Weighted Average Life to Maturity no earlier than the ~~Exit~~Exchange Notes and (iii) may be subject to a 'silent' junior Lien on the Collateral in accordance with the terms of an intercreditor agreement governing such Lien, which intercreditor agreement shall be in form and substance acceptable to the Required Holders; *provided* that any intercreditor agreement in a form that has been agreed upon by the Issuer and the Required Holders pursuant to Section 4.13 shall satisfy such requirement.

"**Rating Agency**" means ~~Standard~~ S~~&~~ ~~Poor's~~P, Moody's or Fitch; or if ~~Standard~~ S~~&~~ ~~Poor's~~P, Moody's or Fitch are not making a rating of the ~~Tranche A-1 Exit~~Exchange Notes publicly available, an internationally recognized U.S. rating agency or agencies, as the case may be, selected by the Company, which will be substituted for ~~Standard~~ S~~&~~ ~~Poor's~~P, Moody's or Fitch, as the case may be.

"**Rating Decline**" means that at any time within 90 days (which period shall be extended so long as the rating of the ~~Tranche A-1 Exit~~Exchange Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) after the date of public notice of a Change of Control, or of the Ultimate Parent's, the Company's or that of any Person's intention to effect a Change of Control, the then-applicable rating of the ~~Tranche A-1 Exit~~Exchange Notes is decreased by any of the Rating Agencies.

"**RCF Loan Agreement**" shall mean that certain credit and guaranty agreement dated as of ~~August 31, 2018~~November 26, 2024 by and among Aerovías del Continente Americano S.A. Avianca, ~~as borrower, Avianca Holdings S.A.,~~ acting through its Florida branch, Aerovías del Continente Americano S.A. Avianca Corp., as borrower, Avianca Group International Limited, as guarantor, Citibank, N.A., as administrative agent and collateral agent, ~~Tampa Cargo S.A.S., as~~the additional subsidiary guarantors named therein, and the lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time).

"**Real Property**" means, collectively, all right, title and interest (including any leasehold estate) in and to any and all parcels of or interests in real property owned in fee or leased, subleased or licensed by the Issuer or any Guarantor, together with, in each case, all easements, hereditaments and appurtenances relating thereto, and all improvements and appurtenant fixtures incidental to the ownership, lease, sublease or license thereof.

"**Record Date**" means, when used with respect to the interest on the ~~Tranche A-1 Exit~~Exchange Notes payable on any Interest Payment Date, the fifth calendar day (whether or not a Business Day) immediately preceding such Interest Payment Date.

"**Redemption Date**" means, when used with respect to any ~~Tranche A-1 Exit~~Exchange Note to be redeemed pursuant to Section 3.01, the date fixed for such redemption by or pursuant to this Indenture.

"**Redemption Price**" means, when used with respect to any ~~Tranche A-1 Exit~~Exchange Notes to be redeemed pursuant to Section 3.01, the price at which it is to be redeemed pursuant to this Indenture.

"**Refinance**", **"Refinancing**", "**Refinanced**" and "**Refinanced Indebtedness**" shall have the meanings specified in the definition of "Permitted Refinancing Indebtedness".

"**Refinancing Notes**" means the Company's % Senior Secured Notes due 20 , issued pursuant to an Indenture (the "**Refinancing Notes Indenture**"), dated as of the Issue Date, among the Company, the Ultimate Parent, the other Guarantors party thereto, the trustee and collateral trustee named therein.

"**Refinancing Notes Guarantee**" means the guarantee of the Refinancing Notes by a guarantor pursuant to the Refinancing Notes Indenture.

"**Registrar**" means Wilmington Savings Fund Society, FSB, until a successor Registrar shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter, "Registrar" shall mean such successor Registrar.

"**Regulation S**" means Regulation S under the Securities Act, as in effect from time to time.

"**Regulation S Global Note**" means a Regulation S Temporary Global Note or Regulation S Permanent Global Note, as appropriate.

"**Regulation S Permanent Global Note**" means a permanent Global Note in the form of Exhibit A hereto bearing the Global Note Legend and the Securities Act Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the Restricted Period.

"**Regulation S Temporary Global Note**" means a temporary Global Note in the form of Exhibit A hereto bearing the Global Note Legend, the Securities Act Legend and the Regulation S Temporary Global Note Legend deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the ~~Tranche A-1 Exit~~Exchange Notes initially sold in reliance on Rule 903.

"**Regulation S Temporary Global Note Legend**" means the following legend, printed in capital letters:

"THE RIGHTS ATTACHING TO THIS REGULATION S TEMPORARY GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR DEFINITIVE NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN).

PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S ("REGULATION S") UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), UNLESS SUCH TRANSACTION IS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT."

"**Relevant Date**" means, with respect to any payment on ~~a Tranche A-1 Exit~~an Exchange Note, whichever is the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which notice is given to the Holders that the full amount has been received by the Trustee.

"**Required Holders**" means, at any time, Holders of not less than a majority in principal amount of the ~~Tranche A-1 Exit~~Exchange Notes Outstanding at such time.

"**Responsible Officer**" means any officer of the Trustee or ~~the~~any Collateral Trustee or any other Agent in Corporate Trust Administration with direct responsibility for the administration of this Indenture and also, with respect to a particular matter, any other officer, to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"**Restricted Global Note**" means one or more permanent Global Notes in definitive fully registered form without interest coupons sold to "qualified institutional buyers" (as such term is defined in Rule 144A) pursuant to Rule 144A.

"**Restricted Period**" means the relevant 40-day distribution compliance period as defined in Regulation S.

"**Restricted Subsidiary**" means, at any time, any direct or indirect Subsidiary of the Ultimate Parent that is not then an Unrestricted Subsidiary; *provided*, *however*, that upon the occurrence of an Unrestricted Subsidiary ceasing to be an Unrestricted Subsidiary, such Subsidiary shall be included in the definition of "Restricted Subsidiary" if it is a Subsidiary thereafter.

"**Route Authority Assets**" shall mean, at any time, the Slots, Gates and Routes of the Issuer or any Guarantor at such time, but excluding any Excluded Assets.

"**Routes**" shall mean the authority of the Issuer or any Guarantor pursuant to Title 49 or other applicable law, to operate scheduled service between a specifically designated pair of terminal points and intermediate points, if any, including applicable frequencies, exemption and certificate authorities, and "Route" shall mean any of such route authorities as the context requires,

in each case whether or not such route authority is utilized at such time by the Issuer or a Guarantor and including, without limitation, any other route authority held by the Issuer or a Guarantor pursuant to certificates, orders, notices and approvals issued to the Issuer or a Guarantor from time to time, but in each case solely to the extent relating to such route authority.

"**Rule 144A**" means Rule 144A under the Securities Act, as in effect from time to time.

~~"**SAI Disposition**" means the sale of Capital Stock of Servicios Aeroportuarios Integrados SAI S.A.S. in any transaction or series of related transactions.~~

"**S&P**" means S&P Global Ratings, a division of S&P Global Inc., and its successors.

"**Sale and Leaseback Transaction**" means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to a Parent Guarantor, the Company or a Restricted Subsidiary of any property, whether owned by a Parent Guarantor, the Company or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by a Parent Guarantor, the Company or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such Property; *provided*, for the avoidance of doubt, that any refinancing of any existing Indebtedness via a sale and leaseback transaction shall not be deemed to constitute a Sale and Leaseback Transaction, but shall continue to be subject to any limitations otherwise applicable to such Indebtedness.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**Secured Parties**" has the meaning specified in the applicable Collateral Trust Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

"**Securities Act Legend**" means the following legend, printed in capital letters:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH

SECURITY) [IN THE CASE OF RULE 144A NOTES: AND ON WHICH THE ISSUER INSTRUCTS THE TRUSTEE THAT THIS LEGEND SHALL BE DEEMED REMOVED FROM THE ~~TRANCHE A-1 EXIT~~EXCHANGE NOTES, IN ACCORDANCE WITH THE PROCEDURES DESCRIBED IN THE INDENTURE RELATING TO THIS SECURITY], ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL ACCREDITED INVESTOR ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF THE SECURITIES OF U.S.$250,000, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO OR FOR OFFER OR SALE IN CONNECTION WITH ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. [IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.]"

"**Security Principles**" has the meaning specified in the Collateral Trust Agreements.

"**Seller's Cost**" means, with respect to any assets or equity which are the subject of a transaction with a Parent Guarantor, the Issuer or any Restricted Subsidiary and were acquired by the seller no more than 18 months prior to the transaction with such Parent Guarantor, the Issuer or Restricted Subsidiary, the seller's cost basis, including investment or acquisition consideration paid in the form of cash, stock or other assets, attorneys' fees, investment banker fees, and broker fees, plus a rate of return equal to 14.5% on the seller's costs basis from the date of the seller's original investment or acquisition.

"**Significant Subsidiary**" means any Restricted Subsidiary of the Ultimate Parent, which at the time of determination (a) had assets which, as of the date of the Ultimate Parent's most recent quarterly consolidated balance sheet, constituted at least 10% of the Ultimate Parent's total assets on a consolidated basis as of such date, or (b) had revenues for the 12- month period ending on the date of the Ultimate Parent's most recent quarterly consolidated statement of income which constituted at least 10% of the Ultimate Parent's total revenues on a consolidated basis for such period or (c) owns, directly or indirectly, Capital Stock of any other Significant Subsidiary.

~~"**Standard & Poor's**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.~~

"**Slot**" shall mean, at any date of determination, the right and operational authority to conduct one landing or take-off operation at a specific time or during a specific time period at an airport and including, without limitation, slots, arrival authorizations and operating authorizations, whether pursuant to FAA or DOT regulations or orders pursuant to Title 14, Title 49 or other federal or foreign statutes or regulations now or hereinafter in effect.

"**Specified Acquisition Entity**" means any entity that is (x) acquired by the Ultimate Parent or any of its Subsidiaries after the Issue Date (whether such entity becomes wholly or less than 100% owned by the Ultimate Parent or any of its Subsidiaries) or (y) another commercial airline (including any business lines or divisions thereof) with which the Ultimate Parent or such a Subsidiary of the Ultimate Parent merges or enters into an acquisition transaction with.

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the Holder thereof upon the happening of any contingency unless such contingency has occurred).

"**Strategic Investment**" means an Investment in any Person (other than an Unrestricted Subsidiary) whose primary business is reasonably related, ancillary or complementary to the business of the type in which the Parent Guarantors, the Issuer and the Restricted Subsidiaries are engaged in as of the Issue Date, and such Investment is reasonably and in good faith determined by an Officer of the Issuer to promote or significantly benefit the operational businesses of the Parent Guarantors, the Issuer and the Restricted Subsidiaries on the date of such Investment, as evidenced by an Officers' Certificate delivered to the Trustee.

"**Stub Notes**" means the Company's 9.000% Tranche A-1 Senior Secured Notes due 2028, issued pursuant to an Indenture (as the same is amended and modified by the amendments described in the Exchange Offer memorandum, and as otherwise amended, supplemented or modified from time to time, the "**Stub Notes Indenture**"), dated as of December 1, 2021, among the Company, the Ultimate Parent, the other Guarantors party thereto, the trustee and collateral trustee named therein, which were not exchanged in the Exchange Offer and are outstanding on the Issue Date.

"**Stub Notes Guarantee**" means the guarantee of the Stub Notes by a guarantor pursuant to the Stub Notes Indenture.

"**Subordinated Indebtedness**" means, with respect to the Parent Guarantors, the Company or any Restricted Subsidiary, ~~(i) any Qualified Junior Indebtedness and (ii)~~ any Indebtedness of the Parent Guarantors, the Company or such Restricted Subsidiary, as the case may be, which is expressly subordinated in right of payment to the ~~Tranche A-1 Exit~~Exchange Notes or the relevant ~~Tranche A-1 Exit~~Exchange Note~~s~~ Guarantee ~~and the Tranche A-1 Exit Notes~~, as the case may be.

"**Subsidiary**" means, in respect of any specified Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person. Unless specified otherwise, any reference to a "Subsidiary" shall be deemed to be a reference to a Subsidiary of the Ultimate Parent.

"**Taca Credit Card Securitization Facility**" means that certain Credit and Guaranty Agreement, dated March 4, 2022, by and among Taca Credit Card Flow Limited, as borrower, Banco de Bogotá S.A., as administrative agent, and the other lenders party thereto from time to time (as amended, restated, supplemented or otherwise modified from time to time).

"**Taxing Jurisdiction**" has the meaning specified in Section 4.05.

"**Title 49**" means Title 49 of the U.S. Code, which, among other things, recodified and replaced the U.S. Federal Aviation Act of 1958, and the rules and regulations promulgated pursuant thereto, and any subsequent legislation that amends, supplements or supersedes such provisions.

~~"**TISE**" means The International Stock Exchange Authority Limited and its successors and assigns.~~

~~"**Tranche A-1 Exit Note Guarantee**" means the guarantee of the Tranche A-1 Exit Notes by a Guarantor pursuant to this Indenture.~~

~~"**Tranche A-1 Exit Notes**" has the meaning specified in the preamble of this Indenture and shall be in the form of Tranche A-1 Exit Note set forth in Exhibit A.~~

"**Transfer Agent**" means Wilmington Savings Fund Society, FSB and any other Person authorized by the Company to effectuate the exchange or transfer of any ~~Tranche A-1 Exit~~Exchange Note on behalf of the Company hereunder.

~~"**Treasury Rate**" means, as of the applicable Redemption Date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 that has become publicly available at least two (2) Business Days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from such redemption date to December 1, 2024 provided, however, that if the period from such redemption date to December 1, 2024 is less than one year, the weekly average~~

~~yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. The Treasury Rate will be determined by the Company or its agent.~~

"**Trust Mandate**" means (i) the Collateral Trust Agreement and (ii) any other agreement, as may be amended from time to time, among the Issuer, the Trustee, and a collateral agent, to appoint such party as a Collateral Trustee.

"**Trustee**" means Wilmington Savings Fund Society, FSB, as trustee, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture and, thereafter, "Trustee" shall mean such successor Trustee.

"**U.S. Dollars**" and "**U.S.$**" each mean the currency of the United States.

"**U.S. Government Obligations**" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States is pledged and which are not callable at the issuer's option.

"**Ultimate Parent**" ~~has the meaning specified in the preamble of this Indenture.~~means Avianca Group International Limited, a private limited company incorporated under the laws of England and Wales, and any successor thereto resulting from a transaction permitted under Article 5.

"**United**" means United Airlines, Inc.

"**United States**" and "**U.S.**" means the United States of America (including the States and the District of Columbia) and its territories, its possessions and other areas subject to its jurisdiction.

"**Unrestricted Subsidiary**" means any Subsidiary (1) of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the board of directors of the Parent Guarantor, as provided in Section 4.20) and (2) of an Unrestricted Subsidiary. The Ultimate Parent may designate any Subsidiary of the Issuer (including any existing Subsidiary of the Issuer and any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Capital Stock or Indebtedness of, or owns or holds any Lien on any property of, a Parent Guarantor or any Subsidiary of a Parent Guarantor (other than any Subsidiary of the Subsidiary to be so designated); *provided* that (a) any Unrestricted Subsidiary must be a Person of which shares of the Capital Stock (including partnership interests) entitled to cast at least a majority of the votes that may be cast by all Capital Stock having ordinary voting power for the election of directors or other governing body are owned, directly or indirectly, by the Issuer; (b) either (I) the Subsidiary to be so designated has total assets of $1,000 or less or (II) if such Subsidiary has assets greater than $1,000, such designation would be permitted under Section 4.20; and (c) each of (I) the Subsidiary to be so designated and (II) its Subsidiaries has not at the time of designation, and does not thereafter, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any Indebtedness pursuant to which the lender with respect to such Indebtedness has recourse to any of the assets of a Parent Guarantor, the Issuer or any Restricted Subsidiary;

provided, *further*, that (x) as of the Issue Date the only Unrestricted Subsidiar~~y~~ies shall be Avianca Enterprises LLC~~,~~ and Wamos and (~~b~~y) ~~if~~ LifeMiles and any other Subsidiary that operates a Loyalty Program ~~is~~may not be designated as an Unrestricted Subsidiary~~, LifeMiles or such other Subsidiary shall nonetheless be considered to be a "Restricted Subsidiary" for purposes of Section 4.08 and 4.21 and Section 4.24 shall apply to LifeMiles or such other Subsidiary notwithstanding such designation as an Unrestricted Subsidiary.~~.

"**USAVflow Facility**" means that certain Loan Agreement, dated as of ~~D~~S~~e~~ptember ~~12~~10, ~~2017~~2024, by and among USAVflow II Limited, as borrower, ~~certain Subsidiaries of the Company,~~the Ultimate parent and Avianca Costa Rica S.A., as guarantors, the lenders party thereto, and ~~Citibank N.A.~~Deutsche Bank Trust Company Americas, as administrative agent and collateral agent (as may be amended or supplemented from time to time).

~~"**V2.0 Plan**" means the Issuer's business plan as approved by certain lenders of the Issuer and its Subsidiaries prior to the Issue Date.~~

"**Voting Stock**" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"**Wamos**" means any of WAV Air Holdings S.L., Wamos Air, S.A. and any of their respective Subsidiaries.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

Section 1.02 *Rules of Construction*.

(a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) the words "herein," "hereof and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(3) "or" is not exclusive; and

(4) "including" means including, without limitation;

(5) any reference to an "Article," a "Section" or an "Exhibit" refers to an Article, a Section or an Exhibit, as the case may be, of this Indenture.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with IFRS.

Section 1.03 *Table of Contents; Headings.* The table of contents and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

Section 1.04 *Form of Documents Delivered to Trustee.* In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate of an Officer of the Company may be based, insofar as it relates to legal matters, upon an opinion of, or representations by, counsel, unless such Officer knows, or in the exercise of reasonable care should know, that the opinion or representations with respect to the matters upon which his or her certificate or opinion is based are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate of, or representations by, an Officer or Officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.05 *Acts of Holders*.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Issuer and the Guarantors. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of ~~a Tranche A-1 Exit~~an Exchange Note, shall be sufficient for any purpose of this Indenture and (subject to Section 7.01) conclusive in favor of the Trustee, the Company and the Guarantors, if made in the manner provided in this Section 1.05.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved (1) by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or (2) in any other manner deemed reasonably sufficient by the Trustee. Where such execution is

by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The authority of the Person executing the same may also be proved in any other manner deemed reasonably sufficient by the Trustee.

(c) The ownership of ~~Tranche A-1 Exit~~Exchange Notes shall be proved by the register of the Registrar.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any ~~Tranche A-1 Exit~~Exchange Note shall bind every future Holder of the same ~~Tranche A-1 Exit~~Exchange Note and the Holder of every ~~Tranche A-1 Exit~~Exchange Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee, the Issuer or the Guarantors in reliance thereon, whether or not notation of such action is made upon such ~~Tranche A-1 Exit~~Exchange Note.

(e) The Company may set a record date for purposes of determining the identity of Holders entitled to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, or to vote on any action authorized or permitted to be taken by Holders; *provided* that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in clause (f) below. Unless otherwise specified, if not set by the Company prior to the first solicitation of a Holder made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, any such record date shall be the later of 30 days prior to the first solicitation of such consent or vote or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation or vote. If any record date is set pursuant to this clause (e), the Holders on such record date, and only such Holders, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action (including revocation of any action), whether or not such Holders remain Holders after such record date; *provided* that no such action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of ~~Tranche A-1 Exit~~Exchange Notes, or each affected Holder, as applicable, on such record date. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing and to each Holder in the manner set forth in Section 11.02.

(f) The Trustee may set any day as a record date for the purpose of determining the Holders entitled to join in the giving or making of (1) any notice of default under Section 6.01, (2) any declaration of acceleration referred to in Section 6.02 or (3) any direction pursuant to Section 6.07, Section 6.12 or Section 6.13. If any record date is set pursuant to this clause (f), the Holders on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; *provided* that no such action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of ~~Tranche A-1 Exit~~Exchange Notes or each affected Holder, as applicable, on such record date. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall

cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company and to each Holder in the manner set forth in Section 11.02.

(g) Without limiting the foregoing, a Holder entitled to take any action hereunder with regard to any particular ~~Tranche A-1 Exit~~Exchange Note may do so with regard to all or any part of the principal amount of such ~~Tranche A-1 Exit~~Exchange Note or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(h) Without limiting the generality of the foregoing, a Holder, including a Depositary that is the Holder of a Global Note, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and a Depositary that is the Holder of a Global Note may provide its proxy or proxies to the beneficial owners of interests in any such Global Note through such Depositary's standing instructions and customary practices.

(i) The Company may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Note held by a Depositary entitled under the procedures of such Depositary, if any, to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders; *provided* that if such a record date is fixed, only the beneficial owners of interests in such Global Note on such record date or their duly appointed proxy or proxies shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such beneficial owners remain beneficial owners of interests in such Global Note after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be effective hereunder unless made, given or taken on or prior to the applicable Expiration Date.

(j) With respect to any record date set pursuant to this Section 1.05, the party hereto that sets such record date may designate any day as the "**Expiration Date**" and from time to time may change the Expiration Date to any earlier or later day; *provided* that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of ~~Tranche A-1 Exit~~Exchange Notes in the manner set forth in Section 11.02, on or prior to both the existing and the new Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section 1.05, the party hereto which set such record date shall be deemed to have initially designated the 90th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this clause (j).

ARTICLE 2
THE ~~TRANCHE A-1 EXIT NOTES~~EXCHANGE NOTES

Section 2.01 *Form and Dating.* The ~~Tranche A-1 Exit~~Exchange Notes and the Trustee's certificate of authentication shall be substantially in the form of ~~Tranche A-1 Exit~~Exchange Note

set forth in Exhibit A, which is hereby incorporated in and expressly made a part of this Indenture. The ~~Tranche A-1 Exit~~Exchange Notes may have such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such notations, legends or endorsements as may be required to comply with any law, stock exchange rule, agreement to which the Company is subject, if any, or usage, *provided* that any such notation, legend or endorsement is in a form acceptable to the Company. If required for U.S. federal income tax purposes, each Exchange Note shall bear an Original Issue Discount Legend.

The ~~Tranche A-1 Exit~~Exchange Notes shall be printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner permitted by the rules of any stock exchange on which the ~~Tranche A-1 Exit~~Exchange Notes may be listed, if any, all as determined by the Officers executing such ~~Tranche A-1 Exit~~Exchange Notes, as evidenced by their execution of such ~~Tranche A-1 Exit~~Exchange Notes.

Section 2.02 *Execution, Authentication and Delivery*.

(a) An Officer of the Issuer shall sign the ~~Tranche A-1 Exit~~Exchange Notes for the Issuer by manual, PDF or facsimile signature.

(1) If an Officer whose signature is on ~~a Tranche A-1 Exit~~an Exchange Note no longer holds that office at the time the Trustee authenticates the ~~Tranche A-1 Exit~~Exchange Note, the ~~Tranche A-1 Exit~~Exchange Note shall be valid nevertheless.

(2) ~~A Tranche A-1 Exit~~An Exchange Note shall not be valid until an authorized signatory of the Trustee or an authenticating agent manually signs the certificate of authentication on the ~~Tranche A-1 Exit~~Exchange Note upon Company Order. Such signature shall be conclusive evidence that the ~~Tranche A-1 Exit~~Exchange Note has been authenticated under this Indenture. Such Company Order shall specify the amount of the ~~Tranche A-1 Exit~~Exchange Notes to be authenticated and the date on which the original issue of ~~Tranche A-1 Exit~~Exchange Notes is to be authenticated.

(3) On the Issue Date, the Trustee or an Authenticating Agent shall authenticate and deliver the Initial ~~Tranche A-1 Exit~~Exchange Notes and, at any time and from time to time thereafter, any Additional ~~Tranche A-1 Exit~~Exchange Notes for original issue as set forth in Section 2.14, in each case upon a Company Order.

(4) The ~~Tranche A-1 Exit~~Exchange Notes shall be issued in fully registered form without coupons attached in minimum denominations of U.S.$1,000 and integral multiples of U.S.$1.00 in excess thereof (each, an "**Authorized Denomination**").

(b) The Trustee may appoint an authenticating agent, with a copy of such appointment to the Company, to authenticate the ~~Tranche A-1 Exit~~Exchange Notes (the

"**Authenticating Agent**"). Unless limited by the terms of such appointment, an Authenticating Agent may authenticate ~~Tranche A-1 Exit~~Exchange Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by an Authenticating Agent. An Authenticating Agent has the same rights as the Registrar or any Transfer Agent or Paying Agent or agent for service of notices and demands.

Section 2.03 *Transfer Agent, Registrar and Paying Agent.* ~~(a)~~ The Issuer shall maintain an office or agency where ~~Tranche A-1 Exit~~Exchange Notes may be presented for registration of transfer or for exchange (the "**Registrar**") and an office or agency where ~~Tranche A-1 Exit~~Exchange Notes may be presented for payment. The Registrar shall keep a register of the ~~Tranche A-1 Exit~~Exchange Notes and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents, or transfer agents. The term "Paying Agent" includes any additional paying agent. The term "Registrar" includes any additional Registrar or co-registrar. The Issuer shall maintain a Paying Agent and Transfer Agent with offices in the United States.

(~~b~~a) [Reserved].

(~~c~~b) The Issuer shall enter into an appropriate agency agreement with any Registrar, Paying Agent or co-registrar not a party to this Indenture, which shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee of the name and address of any such agent. If the Issuer fails to maintain a Registrar, Paying Agent or Transfer Agent, in the United States, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.06. The Company or any Restricted Subsidiary may act as Paying Agent, Registrar, co-registrar or Transfer Agent. The Company initially appoints Wilmington Savings Fund Society, FSB as Registrar, Paying Agent and Transfer Agent in connection with this Indenture and the ~~Tranche A-1 Exit~~Exchange Notes.

Section 2.04 *Paying Agent to Hold Money in Trust.* By 3:00 P.M. New York time no later than one Business Day prior to each Payment Date on any ~~Tranche A-1 Exit~~Exchange Note, the Issuer shall deposit with the Principal Paying Agent in immediately available funds a sum sufficient to pay such principal and interest when so becoming due (including any Additional Amounts). The Issuer shall request that the bank through which such payment is to be made agree to supply to the Principal Paying Agent by 10:00 A.M. (New York time) two Business Days prior to the due date from any such payment an confirmation (by facsimile) of its intention to make such payment. The Issuer shall require each Paying Agent (other than the Trustee) to agree in writing that such Paying Agent shall hold in trust, for the benefit of Holders or the Trustee, all money held by such Paying Agent for the payment of principal and interest on the ~~Tranche A-1 Exit~~Exchange Notes and shall notify the Trustee of any default by the Issuer in making any such payment. The Issuer at any time may require a Paying Agent to pay all money held by it to the Principal Paying Agent and to account for any funds disbursed by it. Upon complying with this Section 2.04, the Paying Agent shall have no further liability for the money delivered to the Trustee.

Each payment in full of principal, redemption amount, Additional Amounts or interest payable under the ~~Tranche A-1 Exit~~Exchange Notes and this Indenture in respect of any ~~Tranche A-1 Exit~~Exchange Note made by or on behalf of the Issuer or a Guarantor to or to the order of the Trustee in the manner specified herein or in the ~~Tranche A-1 Exit~~Exchange Notes on the date due

shall be valid and effective to satisfy and discharge the obligation of the Issuer or such Guarantor, as the case may be, to make payment of principal, redemption amount, Additional Amounts or interest payable hereunder and under the ~~Tranche A-1 Exit~~Exchange Notes on such date, *provided*, *however*, that the liability of the Trustee hereunder shall not exceed any amounts paid to it by the Company or such Guarantor, as the case may be, or held by it, on behalf of the Holders hereunder.

Section 2.05 *Holder Lists.* The Trustee shall preserve in as current a form as is reasonably practicable, the most recent list available to it of the names and addresses of Holders. If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee in writing, at least ten Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Holders and the Trustee shall be permitted to fully rely with no liability therefor on the most recent list so provided.

Section 2.06 *Transfer and Exchange*.

(a) Interests in the Regulation S Global Note and the Restricted Global Note shall be exchangeable or transferable, as the case may be, for physical delivery of definitive certificated ~~Tranche A-1 Exit~~Exchange Notes ("**Certificated Notes**") if (i) DTC notifies the Company that it is unwilling or unable to continue as depositary for such Global Note, or DTC ceases to be a "clearing agency" registered under the Exchange Act, and a successor depositary is not appointed by the Company within 90 days, or (ii) an Event of Default has occurred and is continuing with respect to such ~~Tranche A-1 Exit~~Exchange Notes and a Holder has so requested in writing, *provided* that such transfer or exchange is made in accordance with the provisions of this Indenture and the Applicable Procedures and *provided further* that in no event shall the Regulation S Temporary Global Note be exchanged for Certificated Notes prior to (i) the expiration of the Restricted Period and (ii) the receipt by the Registrar of any certificates required under the provisions of Regulation S.

Upon receipt of notice by DTC or the Trustee, as the case may be, regarding the occurrence of any of the events described in the preceding paragraph, the Company shall use its best efforts to make arrangements with DTC for the exchange of interests in the Global Notes for individual Certificated Notes, and cause the requested individual Certificated Notes to be executed and delivered to the Trustee in sufficient quantities and authenticated by the Trustee for delivery to Holders. In the case of Certificated Notes issued in exchange for the Restricted Global Note, such Certificated Notes shall bear the Securities Act Legend. Upon the registration of transfer, exchange or replacement of ~~Tranche A-1 Exit~~Exchange Notes bearing such Securities Act Legend, or upon specific request for removal of the Securities Act Legend on ~~a Tranche A-1 Exit~~an Exchange Note, the Company shall deliver only ~~Tranche A-1 Exit~~Exchange Notes that bear such Securities Act Legend, or shall refuse to remove such Securities Act Legend, as the case may be, unless there is delivered to the Company a certificate in the form of Exhibit D or Exhibit F, as the case may be, or such satisfactory evidence as may reasonably be required by the Company, which may include an Opinion of Counsel, that neither the Securities Act Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act. The Trustee shall exchange ~~a Tranche A-1 Exit~~an Exchange Note bearing the Securities Act Legend for ~~a Tranche A-1 Exit~~an Exchange Note not bearing such Securities Act Legend only if it has

been directed to do so in writing by the Company, upon which direction it may conclusively rely with no liability therefor.

(b) On or prior to the 40th day after the Issue Date, transfers by a DTC participant which is an owner of a beneficial interest in the Regulation S Global Note to a transferee who takes delivery of such interest through the Restricted Global Note shall be made only in Authorized Denominations in accordance with the Applicable Procedures and upon receipt by the Trustee or Transfer Agent of a written certification from the transferor of the beneficial interest in the form of Exhibit E to the effect that such transfer is being made to a Person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After such 40th day, such certification requirement shall no longer apply to such transfers.

(c) Transfers by a Holder of a Certificated Note bearing the Securities Act Legend or by a DTC participant of a beneficial interest in the Restricted Global Note to a transferee who takes delivery of such interest through the Regulation S Global Note or in the form of a Certificated Note not bearing the Securities Act Legend shall be made only in Authorized Denominations upon receipt by the Trustee or Transfer Agent of a written certification from the transferor in the form of Exhibit D to the effect that such transfer is being made in accordance with Regulation S.

Beneficial interests in the Global Notes shall be shown on, and transfers thereof shall be effected only through records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream.

Transfers between participants in DTC shall be effected in the ordinary way in accordance with the Applicable Procedures and shall be settled in DTC's Same Day Funds Settlement System and secondary market trading activity in such ~~Tranche A-1 Exit~~Exchange Notes shall therefore settle in immediately available funds. There can be no assurance as to the effect, if any, of settlements in immediately available funds on trading activity in the ~~Tranche A-1 Exit~~Exchange Notes. Transfers between participants in Euroclear and Clearstream shall be effected in the ordinary way in accordance with Applicable Procedures.

(d) Certificated Notes may be exchanged or transferred in whole or in part in the principal amount of Authorized Denominations by surrendering such Certificated Notes at the applicable Corporate Trust Office of the Trustee or any Transfer Agent with a written instrument of transfer as provided in this Indenture in the form of Exhibit B hereto duly executed by the Holder thereof or his attorney duly authorized in writing.

In exchange for any Certificated Note properly presented for transfer, the Trustee shall promptly authenticate and deliver or cause to be authenticated and delivered at the applicable Corporate Trust Office, to the transferee, or send by mail (at the risk of the transferee) to such address as the transferee may request, a Certificated Note or ~~Tranche A-1 Exit~~Exchange Notes, as the case may require, registered in the name of such transferee, for the same aggregate principal amount as was transferred. In the case of the transfer of any Certificated Note in part, the Trustee shall also promptly authenticate and deliver or cause to be authenticated and delivered at the

applicable Corporate Trust Office, to the transferor, or send by mail (at the risk of the transferor) to such address as the transferor may request, a Certificated Note or ~~Tranche A-1 Exit~~Exchange Notes, as the case may require, registered in the name of such transferor, for the aggregate principal amount that was not transferred. No transfer of any ~~Tranche A-1 Exit~~Exchange Notes shall be made unless the request for such transfer is made by the registered Holder or his attorney duly authorized in writing at the applicable Corporate Trust Office and is accompanied by a completed instrument of transfer in the form of Exhibit C attached to the ~~Tranche A-1 Exit~~Exchange Note presented for transfer.

(e) Transfer, registration and exchange of any ~~Tranche A-1 Exit~~Exchange Note or ~~Tranche A-1 Exit~~Exchange Notes shall be permitted and executed as provided in this Section ~~2.07~~2.06 without any charge to the Holder of any such ~~Tranche A-1 Exit Note or Tranche A-1 Exit~~Exchange Notes other than any taxes or governmental charges or insurance charges payable on transfers or any expenses of delivery by other than regular mail, but subject to such reasonable regulations as the Company, the Registrar and the Trustee may prescribe.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expense of delivery by other than regular mail (if any) and except for the payment of a sum sufficient to cover any tax or other governmental charges or insurance charges that may be imposed in relation thereto, shall be borne by the Company.

All Certificated Notes issued upon any exchange or registration of transfer of ~~Tranche A1 Exit~~Exchange Notes shall be valid obligations of the Company, evidencing the same debt, and entitled to the same benefits, as the ~~Tranche A-1 Exit~~Exchange Notes surrendered upon exchange or registration of transfer.

(f) The Trustee or the Transfer Agent shall effect transfers of Global Notes and Certificated Notes. In addition, the Registrar shall keep a register of the ~~Tranche A-1 Exit~~Exchange Notes and their ownership, exchange and transfer. The Transfer Agent shall give prompt notice to the Registrar and the Registrar shall likewise give prompt notice to the Trustee of any exchange or registration of transfer of such ~~Tranche A-1 Exit~~Exchange Notes. Neither the Trustee nor any Transfer Agent shall register the exchange or the transfer of any Global Note or Certificated Note (or any portion of a Certificated Note) during the period of 15 days ending on the Record Date. The Trustee shall give prompt notice to the Company of any replacement, transfer, cancellation or destruction of the ~~Tranche A-1 Exit~~Exchange Notes.

(g) Upon any such exchange or registration of transfer of all or a portion of any Global Note for a Certificated Note or an interest in either the Restricted Global Note or the Regulation S Global Note for an interest in the other Global Note, the Global Note to be so exchanged shall be marked to reflect the reduction of its principal amount by the aggregate principal amount of such Certificated Note or the interest to be so exchanged for an interest in a Regulation S Global Note or a Restricted Global Note, as the case may be. Until so exchanged in full, the ~~Tranche A-1 Exit~~Exchange Note shall in all respects be entitled to the same benefits under this Indenture as the ~~Tranche A-1 Exit~~Exchange Notes authenticated and delivered hereunder.

Section 2.07 *Replacement Notes.* If any ~~Tranche A-1 Exit~~Exchange Note at any time becomes mutilated, defaced, destroyed, stolen or lost, such ~~Tranche A-1 Exit~~Exchange Note may

be replaced at the cost of the applicant (including reasonable legal fees of the Issuer, the Trustee, the Transfer Agent, the Registrar and the Paying Agents) at the office of the Trustee or any Transfer Agent, upon provision of, in the case of destroyed, stolen, mutilated or defaced beyond clear identification or lost ~~Tranche A-1 Exit~~Exchange Notes, evidence satisfactory to the Trustee, the Transfer Agent, the Registrar, the Paying Agents and the Issuer that such ~~Tranche A-1 Exit~~Exchange Note was destroyed, stolen, mutilated or defaced beyond clear identification or lost, together with such indemnity and/or security as the Trustee and the Issuer may require. Mutilated or defaced ~~Tranche A-1 Exit~~Exchange Notes must be surrendered before replacements shall be issued.

Each ~~Tranche A-1 Exit~~Exchange Note authenticated and delivered in exchange for or in lieu of any such ~~Tranche A-1 Exit~~Exchange Note shall carry rights to accrued and unpaid interest and to interest to accrue equivalent to the rights that were carried by such ~~Tranche A-1 Exit~~Exchange Note before such ~~Tranche A-1 Exit~~Exchange Note was mutilated, defaced, destroyed, stolen or lost.

Every replacement ~~Tranche A-1 Exit~~Exchange Note is an additional obligation of the Issuer and shall be entitled to the benefits of this Indenture.

Section 2.08 *Temporary Notes.* Subject to the provisions of Section ~~2.07~~2.06(a), until Certificated Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary ~~Tranche A-1 Exit~~Exchange Notes. Temporary Notes shall be substantially in the form of Certificated Notes but may have variations that the Company considers appropriate for temporary ~~Tranche A-1 Exit~~Exchange Notes. As necessary, the Company shall prepare and the Trustee shall authenticate Certificated Notes and deliver them in exchange for temporary ~~Tranche A-1 Exit~~Exchange Notes at the office or agency of the Company or the Trustee, without charge to the Holder. Until so exchanged, the temporary ~~Tranche A-1 Exit~~Exchange Notes shall be entitled to the same benefits under this Indenture as Certificated Notes.

Section 2.09 *Cancellation.* The Issuer at any time may deliver ~~Tranche A-1 Exit~~Exchange Notes to the Trustee for cancellation. The Transfer Agent and the Paying Agent shall forward to the Trustee, if they are not the same person, any ~~Tranche A-1 Exit~~Exchange Notes surrendered to them for transfer, exchange or payment. The Trustee or a Paying Agent and no else shall cancel, and the Trustee shall destroy, in each case, in accordance with its customary procedures all ~~Tranche A-1 Exit~~Exchange Notes surrendered for transfer, exchange, payment or cancellation and, if so destroyed, upon written instruction from the Issuer, deliver a certificate of such destruction to the Issuer unless the Issuer direct the Trustee in writing to deliver cancelled ~~Tranche A-1 Exit~~Exchange Notes to the Issuer. The Issuer may not issue new ~~Tranche A-1 Exit~~Exchange Notes to replace Notes they have redeemed, paid or delivered to the Trustee for cancellation, which shall not prohibit the Issuer from issuing any Additional ~~Tranche A-1 Exit~~Exchange Notes. ~~A Tranche A-1 Exit~~An Exchange Note does not cease to be outstanding because the Issuer, the Guarantors or any of their Affiliates holds such ~~Tranche A-1 Exit~~Exchange Note, except that such ~~Tranche A-1 Exit~~Exchange Notes will not be deemed to be Outstanding for voting purposes pursuant to and in accordance with the definition of "Outstanding" in Section 1.01.

Section 2.10 *Defaulted Interest.* If the Issuer default in a payment of interest on the ~~Tranche A-1 Exit~~Exchange Notes, the Issuer shall pay the defaulted interest (plus interest on such defaulted interest to the extent lawful) in any lawful manner not inconsistent with the requirements of any stock exchange on which the ~~Tranche A-1 Exit~~Exchange Notes may be listed, and upon such notice as may be required by such exchange, if, after written notice given by the Issuer to the Trustee of the proposed payment pursuant to this Section 2.11, such manner of payment shall be deemed practicable by the Trustee.

The Issuer may pay the defaulted interest to the Persons who are Holders on a subsequent special record date, which date shall be at least five Business Days prior to the payment date of such defaulted interest. The Issuer shall fix or cause to be fixed any such special record date and payment date, and, at least 15 days before any such special record date, the Issuer shall deliver to each Holder, with a copy to the Trustee, a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

Section 2.11 *CUSIP and ISIN Numbers*. The Issuer, in issuing the ~~Tranche A-1 Exit~~Exchange Notes, may use CUSIP and ISIN numbers (if then generally in use) and, if so, the Trustee shall use CUSIP and ISIN numbers in notices as a convenience to Holders; provided, however, that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the ~~Tranche A-1 Exit~~Exchange Notes or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the ~~Tranche A-1 Exit~~Exchange Notes, and any such notice shall not be affected by any defect in or omission of such numbers.

Section 2.12 *Open Market Purchases*. The Issuer or any of its Affiliates may at any time purchase ~~Tranche A-1 Exit~~Exchange Notes in the open market or otherwise at any agreed upon price. Any such purchased ~~Tranche A-1 Exit~~Exchange Notes shall not be resold, except in compliance with applicable requirements or exemptions under the relevant securities laws. Any such resold notes will have a separate CUSIP number unless they are fungible with the outstanding ~~Tranche A-1 Exit~~Exchange Notes for U.S. federal income tax purposes.

Section 2.13 *Issuance of Additional ~~Tranche A-1 Exit~~Exchange Notes*. The Issuer may, from time to time, without notice to or the consent of the Holders of the ~~Tranche A-1 Exit~~Exchange Notes, create and issue Additional ~~Tranche A-1 Exit~~Exchange Notes in an unlimited aggregate principal amount having the same terms and conditions as the Initial ~~Tranche A-1 Exit~~Exchange Notes in all respects, except for issue date, issue price and the first payment of interest thereon. Additional ~~Tranche A-1 Exit~~Exchange Notes issued in this manner shall form a single series with the previously outstanding ~~Tranche A-1 Exit~~Exchange Notes and shall vote together as one class on all matters with respect to the ~~Tranche A-1 Exit~~Exchange Notes; *provided* that the Additional ~~Tranche A-1 Exit~~Exchange Notes will have a separate CUSIP number unless the ~~Tranche A-1 Exit~~Exchange Notes and the Additional ~~Tranche A-1 Exit~~Exchange Notes are fungible for U.S. federal income tax purposes. Unless the context otherwise requires, for all purposes of this Indenture and the ~~Tranche A-1 Exit~~Exchange Notes, references to the ~~Tranche A-1 Exit~~Exchange Notes include any Additional ~~Tranche A-1 Exit~~Exchange Notes actually issued.

ARTICLE 3
REDEMPTION

Section 3.01 *Redemption*.

(a) ~~On or after December 1, 2024, the Tranche A-1 Exit~~The Exchange Notes will be redeemable, at the option of the Company, in whole or in part, at the Redemption Prices (expressed as a percentage of the principal amount to be redeemed), during the 12-month periods specified below:

Period	**Redemption Price**
On or after ~~December 1, 2024~~the Issue Date but prior to December 1, 2025	104.500%
On or after December 1, 2025 but prior to December 1, 2026	102.250%
On or after December 1, 2026	100.000%

plus any accrued but unpaid interest and Additional Amounts, if any, to, but not including, the Redemption Date.

(b) ~~At any time prior to December 1, 2024, the Issuer may redeem any of the Tranche A-1 Exit Notes (including any Additional Tranche A-1 Exit Notes issued after the Issue Date) in whole at any time or in part from time to time, at its option, at a "make-whole" redemption price equal to the greater of (1) 100% of the principal amount of such Notes to be redeemed and (2) the sum of the present values at such Redemption Date of (i) the redemption price of the Tranche A1 Exit Notes on December 1, 2024 plus (ii) all required interest payments on the Tranche A-1 Exit Notes through December 1, 2024 (excluding accrued but unpaid interest to the date of redemption), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points; *plus*, in each case, any accrued and unpaid interest and Additional Amounts, if any, on such Notes to (but excluding) the Redemption Date. For the avoidance of doubt, the Issuer shall be responsible for calculating the make-whole premium and the Trustee shall have no obligation to confirm or verify any such calculation.~~[Reserved].

(c) ~~Notwithstanding the foregoing, at any time and from time to time prior to December 1, 2024, upon notice in accordance with Section 3.03, the Company may redeem in the aggregate up to 35.0% of the aggregate principal amount of the Tranche A-1 Exit Notes (calculated after giving effect to the issuance of any Additional Notes) with an amount equal to the net cash proceeds of (x) one or more Equity Offerings or offerings of bona fide convertible debt by the Ultimate Parent (or by any Parent Entity, to the extent the net cash proceeds therefrom are contributed to the Ultimate Parent or used to purchase Capital Stock (other than Disqualified Capital Stock) of the Ultimate Parent), at a Redemption Price (expressed as a percentage of the principal amount thereof) equal to 104.500%, or (y) the incurrence of unsecured Indebtedness by the Company, at a Redemption Price (expressed as a percentage of the principal amount thereof) equal to 109.000%, in each case *plus* accrued and unpaid interest, if any, to (but not including) the Redemption Date.~~[Reserved].

(d) If as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction, or any amendment to or change in an official interpretation, administration or application of such laws or any regulations or rules (including a holding by a court of competent jurisdiction), which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the Issue Date or on or after the date a successor to the Issuer or the relevant Guarantor assumes its obligations under the ~~Tranche A-1 Exit~~Exchange Notes, the Issuer, such Guarantor or any successor to the Issuer or such Guarantor has or will become obligated to pay Additional Amounts pursuant to Section 4.05, then the Issuer or any Guarantor, or any successor to the Issuer or such Guarantor, may, at its option, redeem all, but not less than all, of the ~~Tranche A-1 Exit~~Exchange Notes, at a Redemption Price equal to 100% of their principal amount, together with accrued and unpaid interest to the date fixed for redemption, upon publication of irrevocable notice not less than 30 days nor more than 60 days prior to the date fixed for redemption. For the avoidance of doubt, neither the Issuer nor any Guarantor, nor any successor to the Issuer or such Guarantor, shall have the right to so redeem the ~~Tranche A-1 Exit~~Exchange Notes pursuant to this Section 3.01(d) unless it is or will become obligated to pay Additional Amounts. Notwithstanding the foregoing, the Issuer and any Guarantor, or any such successor shall not have the right to so redeem the ~~Tranche A-1 Exit~~Exchange Notes unless it has taken reasonable measures to avoid the obligation to pay Additional Amounts. For the avoidance of doubt, reasonable measures do not include changing the jurisdiction of incorporation of the Issuer or any successor to the Issuer or the jurisdiction of organization of a Guarantor or any successor to a Guarantor.

In the event that the Issuer or any successor to the Issuer, or a Guarantor or any successor to such Guarantor, elects to so redeem the ~~Tranche A-1 Exit~~Exchange Notes, it will deliver to the Trustee: (1) a certificate, signed in the name of the Issuer or any successor to the Issuer, or such Guarantor or successor to such Guarantor, by any two of its executive officers or by its attorney in fact in accordance with its bylaws, stating that the Issuer or any successor to the Issuer, or such Guarantor or successor to such Guarantor, is entitled to redeem the ~~Tranche A-1 Exit~~Exchange Notes pursuant to their terms and setting forth a statement of facts showing that the condition or conditions precedent to the right of the Issuer or any successor to the Issuer, or such Guarantor or successor to such Guarantor, to so redeem have occurred or been satisfied; and (2) an opinion of independent tax counsel of recognized standing to the effect that (i) the Issuer, a Guarantor or any successor to the Issuer or such Guarantor has or will become obligated to pay Additional Amounts, and (ii) such obligation is the result of a change in or amendment to the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction, as described above. The Trustee shall accept, and will be entitled to fully rely with no liability therefor on, the certificate and opinion described in (1) and (2) of the preceding sentence as sufficient evidence of the satisfaction of the conditions precedent described therein, without further inquiry, in which event such certificate or opinion shall be conclusive and binding on the Holders.

Section 3.02 *Notice to Trustee.* If the Issuer elects to redeem ~~Tranche A-1 Exit~~Exchange Notes pursuant to Section 3.01 hereof, it shall notify the Trustee in writing of the Redemption Date and the Redemption Price. The Issuer shall give each notice provided for in this Section 3.02 in an Officers' Certificate (including the information required by Section 3.03) at least five Business Days before notice of redemption is required to be sent to the applicable Holders pursuant to Section 3.03 (unless a shorter period shall be satisfactory to the Trustee).

Section 3.03 *Notice of Redemption by the Issuer.* In the case of redemption of ~~Tranche A-1 Exit~~Exchange Notes pursuant to Section 3.01, the notice of redemption provided to the Trustee pursuant to Section 3.02 shall be distributed at least 15 but not more than 60 days before the Redemption Date to each Holder of any ~~Tranche A-1 Exit~~Exchange Note to be redeemed by first-class mail. A notice of redemption may be subject to one or more conditions precedent, which shall be stated in the redemption notice.

The notice shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) the name and address of the Paying Agents;

(4) that ~~Tranche A-1 Exit~~Exchange Notes called for redemption must be surrendered to a Paying Agent to collect the Redemption Price;

(5) that, unless the Company defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on ~~Tranche A-1 Exit~~Exchange Notes called for redemption ceases to accrue on and after the Redemption Date;

(6) the section of this Indenture pursuant to which the ~~Tranche A-1 Exit~~Exchange Notes called for redemption are being redeemed;

(7) any conditions precedent to the redemption of the ~~Tranche A-1 Exit~~Exchange Notes;

(8) the CUSIP or ISIN number, if any; and

(9) that no representation is made as to the correctness or accuracy of the CUSIP or ISIN number, if any, listed in such notice or printed on the ~~Tranche A-1 Exit~~Exchange Notes.

At the Company's request (which request may be revoked by the Company at any time prior to the time at which the Trustee shall have given such notice to the Holders), made in writing to the Trustee as described in Section 3.02, the Trustee shall give the notice of redemption in the name and at the expense of the Company reflecting the information provided by the Company. If, however, the Company gives such notice to the Holders, the Company shall concurrently deliver to the Trustee an Officers' Certificate stating that such notice has been given.

Section 3.04 *Deposit of Redemption Price.* By 3:00 P.M. New York time no later than one Business Day prior to the Redemption Date, the Company shall deposit with the Principal Paying Agent money sufficient to pay the Redemption Price of and accrued and unpaid interest on the ~~Tranche A-1 Exit~~Exchange Notes other than ~~Tranche A-1 Exit~~Exchange Notes that have been delivered by the Company to the Trustee at least 15 days prior to the Redemption Date for cancellation. The Company shall request that the bank through which such payment is to be made

agree to supply to the Principal Paying Agent by 10:00 A.M. (New York time) two Business Days prior to the due date from any such payment a confirmation (by facsimile) of its intention to make such payment.

Section 3.05 *Effect of Redemption.* If the Company complies with the provisions of Section 3.03 and Section 3.04, on and after the Redemption Date, interest shall cease to accrue on the ~~Tranche A-1 Exit~~Exchange Notes or the portions of ~~Tranche A-1 Exit~~Exchange Notes called for redemption . Upon surrender of any such ~~Tranche A-1 Exit~~Exchange Note for redemption in accordance with such notice, such ~~Tranche A-1 Exit~~Exchange Note shall be paid by the Company at the Redemption Price, together with accrued and unpaid interest, if any, to, but not including, the Redemption Date; *provided*, *however*, that installments of interest whose Interest Payment Date is on or prior to the Redemption Date shall be payable to the Holders of such ~~Tranche A-1 Exit~~Exchange Notes registered as such at the close of business on the relevant Record Dates according to their terms.

If any ~~Tranche A-1 Exit~~Exchange Note to be redeemed shall not be so paid upon surrender thereof in accordance with the Company's instructions for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by the ~~Tranche A-1 Exit~~Exchange Notes. Upon such surrender to the Paying Agent, such ~~Tranche A-1 Exit~~Exchange Notes shall be paid at the applicable Redemption Price, plus accrued and unpaid interest to, but not including, the Redemption Date; *provided*, *however*, that installments of interest payable on or prior to the Redemption Date shall be payable to the Holders of such ~~Tranche A-1 Exit~~Exchange Notes registered as such at the close of business on the relevant Record Date according to their terms.

Section 3.06 *Selection of ~~Tranche A-1 Exit~~Exchange Notes to be Redeemed.* If less than all of the outstanding ~~Tranche A-1 Exit~~Exchange Notes are to be redeemed, if the ~~Tranche A-1 Exit~~Exchange Notes are held through a depositary, the ~~Tranche A-1 Exit~~Exchange Notes will be selected for redemption pursuant to the procedures of the applicable depositary or, if the ~~Tranche A-1 Exit~~Exchange Notes are held in definitive registered form, the Trustee will select the ~~Tranche A-1 Exit~~Exchange Notes to be redeemed in principal amounts of U.S.$1,000 and integral multiples of U.S.$1.00 in excess thereof. In the latter case, the Trustee may select the ~~Tranche A-1 Exit~~Exchange Notes by lot, pro rata or by any other method the Trustee considers fair and appropriate.

Section 3.07 *Notes Redeemed In Part.* Upon surrender of ~~a Tranche A-1 Exit~~an Exchange Note that is redeemed in part, the Company shall execute and the Trustee shall authenticate for the Holder thereof (at the Company's expense) a new ~~Tranche A-1 Exit~~Exchange Note, equal in a principal amount to the unredeemed portion of the ~~Tranche A-1 Exit~~Exchange Note surrendered; *provided* that each new ~~Tranche A-1 Exit~~Exchange Note shall be in a principal amount of U.S.$1,000 or an integral multiple of U.S.$1.00 in excess thereof.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to redemption of ~~Tranche A-1 Exit~~Exchange Notes shall relate, in the case of any ~~Tranche A-1 Exit~~Exchange Note redeemed or to be redeemed only in part, to the portion of the principal amount of such ~~Tranche A-1 Exit~~Exchange Note which has been or is to be redeemed.

ARTICLE 4

COVENANTS

Section 4.01 *Payment of Principal and Interest under the ~~Tranche A-1 Exit~~Exchange Notes.* The Issuer shall punctually pay the principal of and interest on the ~~Tranche A-1 Exit~~Exchange Notes on the dates and in the manner provided in the ~~Tranche A-1 Exit~~Exchange Notes. Principal and interest (including any Additional Amounts) shall be considered paid on the date due if by 3:00 P.M. New York time no later than one Business Day prior to such Payment Date to the Principal Paying Agent holds in accordance with this Indenture money sufficient to pay all principal, premium, if any, and interest (including Additional Amounts) due on such Payment Date.

The Issuer shall pay interest on overdue principal or installments of interest, to the extent lawful, at the rate borne by the ~~Tranche A-1 Exit~~Exchange Notes.

No interest shall be payable hereunder in excess of the maximum rate permitted by applicable law.

Section 4.02 *Maintenance of Office or Agency.* The Issuer shall maintain, in each place of payment for the ~~Tranche A-1 Exit~~Exchange Notes, an office or agency where ~~Tranche A-1 Exit~~Exchange Notes may be presented or surrendered for payment and where notices and demands to or upon the Issuer in respect of the ~~Tranche A-1 Exit~~Exchange Notes and this Indenture may be served. The Corporate Trust Office of the Trustee shall be such office or agency of the Issuer, unless the Issuer shall designate and maintain some other office or agency for one or more of such purposes. The Issuer shall give prompt written notice to the Trustee of any change in the location of any such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Issuer hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

Section 4.03 *Money for Note Payments to Be Held in Trust*. If the Issuer shall at any time act as Paying Agent, it shall, on or before each due date of principal of or interest on any of the ~~Tranche A-1 Exit~~Exchange Notes, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and shall promptly notify the Trustee of its action or failure so to act.

Whenever the Issuer shall have one or more Paying Agents for the ~~Tranche A-1 Exit~~Exchange Notes, it shall, on or before each due date of principal of or interest on any ~~Tranche A-1 Exit~~Exchange Notes, irrevocably deposit with a Paying Agent a sum sufficient to pay such principal and interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal or interest, and the Issuer shall promptly notify the Trustee in writing of such action or any failure so to act.

Each Paying Agent other than the Trustee, subject to the provisions of this Section 4.03, shall:

(1) hold all sums held by it for the payment of principal of or interest on ~~Tranche A-1 Exit~~Exchange Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as set forth herein; *provided*, *however*, such sums need not be segregated from other funds held by it, except as required by law;

(2) give the Trustee written notice of any Default by the Issuer (or any other obligor upon the ~~Tranche A-1 Exit~~Exchange Notes) in the making of any payment of principal or interest; and

(3) at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Principal Paying Agent hereby agrees with the Issuer to act as Principal Paying Agent in accordance with this Section 4.03. The Issuer shall cause each other Paying Agent to execute and deliver an instrument in which such Paying Agent shall agree with the Issuer to act as a Paying Agent in accordance with this Section 4.03.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Issuer or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Issuer or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such sums.

Any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of principal of or interest on any ~~Tranche A-1 Exit~~Exchange Note and remaining unclaimed for two years after such principal or interest has become due and payable shall be paid to the Company at the request of the Company, or (if then held by the Company) shall be discharged from such trust; and the Holder of such ~~Tranche A-1 Exit~~Exchange Note shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease.

On or prior to the date hereof, the Principal Paying Agent is authorized and directed to establish and maintain, in the name of the Trustee, for the benefit of the Holders, a payment account. Amounts on deposit in such account shall be held uninvested. The Principal Paying Agent is authorized to make payments from such account as described in this Indenture.

Section 4.04 *Maintenance of Corporate Existence.* Each Parent Guarantor, the Issuer and each Guarantor shall maintain in effect its corporate existence and all registrations necessary therefor except to the extent the Ultimate Parent or the Company in good faith determine that the failure to do so is in the ~~best~~ interest of the Ultimate Parent or the Company and would not have a material adverse effect on the ability of the Parent Guarantors, the Issuer and the Guarantors, taken

as a whole, to perform their payment obligations under the ~~Tranche A-1 Exit~~Exchange Notes, *provided* that these restrictions shall not prohibit any transactions not prohibited by Article 5.

Section 4.05 *Payment of Additional Amounts*.

(a) All payments by the Issuer in respect of the ~~Tranche A-1 Exit~~Exchange Notes and by the Guarantors in respect of the ~~Tranche A-1 Exit~~Exchange Note Guarantees will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, or other governmental charges of a similar nature imposed or levied by or on behalf of the United Kingdom, or any other jurisdiction in which the Issuer or Guarantors are organized, resident for tax purposes or through which payments are made or deemed made in respect of the ~~Tranche A-1 Exit~~Exchange Notes or the ~~Tranche A-1 Exit~~Exchange Note Guarantees, or any authority therein or thereof having the power to tax or, following any merger, consolidation, spin-off, transfer, liquidation, winding-up, dissolution or assumption of obligations that is permitted herein, the jurisdiction in which the resulting, surviving or transferee Person is organized or resident for tax purposes or through which payments are made or deemed made in respect of the ~~Tranche A-1 Exit~~Exchange Notes or the ~~Tranche A-1 Exit~~Exchange Note Guarantees, or, in each case, any political subdivision thereof or taxing authority therein (any of the aforementioned being a "**Taxing Jurisdiction**"), unless the Issuer, Guarantors or any Paying Agent are compelled by law to deduct or withhold such taxes, duties, assessments, or similar governmental charges. In such event, the Issuer, Guarantors or Paying Agent, as applicable, will make such deduction or withholding, make payment of the amount so withheld to the appropriate Governmental Authority and the Issuer or Guarantor shall pay such ~~A~~additional ~~A~~amounts as may be necessary to ensure that the net amounts receiv~~able~~d by Holders of ~~Tranche A-1 Exit~~Exchange Notes after such withholding or deduction shall equal the ~~respective~~ amounts of principal and interest which would have been receiv~~able~~d in respect of the ~~Tranche A1 Exit~~Exchange Notes in the absence of such withholding or deduction ("**Additional Amounts**").

Notwithstanding the foregoing, no such Additional Amounts shall be payable:

(1) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or similar governmental charges in respect of such ~~Tranche A-1 Exit~~Exchange Note by reason of the existence of any present or former connection between such Holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of or possessor of power over the relevant Holder or beneficial owner, if such Holder or beneficial owner is an estate, a trust, a partnership, or a corporation) and the relevant Taxing Jurisdiction, including, without limitation, such Holder or beneficial owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident or national or domiciliary thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present therein, other than the mere holding of the ~~Tranche A-1 Exit~~Exchange Note or enforcement of rights under this Indenture and the receipt of payments with respect to the ~~Tranche A-1 Exit~~Exchange Note;

(2) in respect of ~~Tranche A-1 Exit~~Exchange Notes surrendered or presented for payment (if surrender or presentment is required) more than 30 days after the Relevant Date except to the extent that payments under such ~~Tranche A-1 Exit~~Exchange Note would have been subject

to withholding and the Holder of such ~~Tranche A-1 Exit~~Exchange Note would have been entitled to such Additional Amounts on surrender of such ~~Tranche A-1 Exit~~Exchange Note for payment on the last day of such period of 30 days;

(3) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or other similar governmental charges by reason of such Holder's, or beneficial owner's, failure to comply with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with the relevant Taxing Jurisdiction of such Holder or beneficial owner, if (a) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge, (b) the Company has given the Holders at least 30 days' notice that Holders, or beneficial owners, as applicable, will be required to provide such certification, identification, documentation or other requirement, (c) the Holder or beneficial owner is legally entitled to comply with such certification, identification, documentation or other reporting requirement and (d) compliance with such certification, identification, documentation or other reporting requirement is not materially more onerous than preparation of an Internal Revenue Service Form W-8 or W-9;

(4) in respect of any estate, inheritance, gift, sales, use, transfer, excise or personal property or similar tax (not including any UK value-added tax payable), assessment or governmental charge;

(5) in respect of any tax, assessment or other similar governmental charge which is payable other than by deduction or withholding from payments of principal of or interest on the ~~Tranche A-1 Exit~~Exchange Note;

(6) in respect of any tax imposed on overall net income or any branch profits tax; or

(7) in respect of any combination of the above.

(b) No Additional Amounts shall be paid with respect to any payment on a ~~Tranche A1 Exit~~Exchange Note to a Holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, any interest holder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the Holder.

(c) Furthermore, the Company will pay and indemnify the Holders against any UK value-added tax that is imposed on a payment of interest on the ~~Tranche A-1 Exit~~Exchange Notes.

(d) The ~~Tranche A-1 Exit~~Exchange Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation. Except as specifically provided under this Section 4.05, neither the Issuer nor the Guarantors shall be required to make a

payment to the Holders with respect to any tax, assessment or similar governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein.

(e) Any reference in this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes to principal, interest or any other amount payable in respect of the ~~Tranche A-1 Exit~~Exchange Notes by the Issuer or the ~~Tranche A-1 Exit~~Exchange Note Guarantee by the Guarantors will be deemed also to refer to any Additional Amount, unless the context requires otherwise, that may be payable with respect to that amount under the obligations referred to in this Section 4.05.

(f) The Company will pay promptly when due any present or future stamp, value-added tax, court or documentary taxes or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of each ~~Tranche A-1 Exit~~Exchange Note, each Collateral Document or any other document or instrument referred to in this Indenture or such ~~Tranche A-1 Exit~~Exchange Note, and those resulting from, or required to be paid in connection with, the enforcement of such ~~Tranche A-1 Exit~~Exchange Note, the Collateral Documents or any other such document or instrument after the occurrence and during the continuance of any Event of Default.

(g) The obligations of the Issuer and the Guarantors pursuant to this Section 4.05 shall survive termination or discharge of this Indenture, payment of the ~~Tranche A-1 Exit~~Exchange Notes and/or resignation or removal of the Trustee or the Principal Paying Agent.

Section 4.06 *Reporting Requirements*. The Ultimate Parent will provide the Trustee with the following reports (and will also provide the Trustee with sufficient copies, as required, of the following reports referred to in clauses (a) through (d) below for distribution, at the Company's expense, to all Holders of ~~Tranche A-1 Exit~~Exchange Notes):

(a) an English language version of the Ultimate Parent's annual audited consolidated financial statements prepared in accordance with IFRS not later than 120 days after the close of its fiscal year;

(b) an English language version of the Ultimate Parent's unaudited quarterly financial statements prepared in accordance with IFRS not later than 60 days after the close of each fiscal quarter (other than the last fiscal quarter of its fiscal year);

(c) simultaneously with the delivery of each set of financial statements referred to in clauses (a) and (b) above, an Officers' Certificate stating whether a Default that has remained uncured and unremedied for 60 days or more or an Event of Default exists on the date of such certificate and, if an Event of Default or such a Default exists, setting forth the details thereof and the action that the Company is taking or proposes to take with respect thereto;

(d) without duplication, English language versions or summaries of such other reports or notices as may be filed or submitted as a material fact by (and promptly after filing or submission by) the Company with ~~the TISE or~~ any stock exchange on which the ~~Tranche A-1 Exit~~Exchange Notes may be listed (in each case, to the extent that any such report or notice is generally available to its security holders or the public); and

(e) promptly after any executive officer becomes aware of the existence of an Event of Default, an Officers' Certificate setting forth the details thereof and the action which the Company or Ultimate Parent is taking or proposes to take with respect thereto.

Delivery of the above reports to the Trustee is for informational purposes only and the Trustee's receipt of such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including Ultimate Parent's or the Company's compliance with any of the covenants in this Indenture (as to which the Trustee is entitled to rely exclusively on Officers' Certificates). The requirement to provide any report (or copies thereof) to the Trustee shall be deemed satisfied if such report has been filed with the SEC through the Electronic Data Gathering Analysis and Retrieval (EDGAR) system (or any successor method of filing) or with any equivalent regulatory authority of any jurisdiction where the ~~Tranche A-1 Exit~~Exchange Notes are listed or if such report is made available on the Ultimate Parent's or the Company's website. Notwithstanding the foregoing, the Ultimate Parent or the Issuer may satisfy the obligations of this covenant with respect to financial information by furnishing financial information relating to any Parent Entity or equivalent financial information of the Issuer and the Guarantors; *provided* that if such Parent Entity is not a Guarantor, then the same shall be accompanied by selected financial metrics that show the differences (in the Ultimate Parent's sole discretion) between the information relating to such Parent Entity, on the one hand, and the information relating to the Issuer and the Guarantors on a stand-alone basis, on the other.

Section 4.07 *Available Information.* For so long as any ~~Tranche A-1 Exit~~Exchange Notes remain outstanding, the Company shall make available to any Holder of ~~a Tranche A-1 Exit~~an Exchange Note or owner of a beneficial interest in a Global Note, or to any prospective purchasers designated by such Holder or beneficial owner, upon request to such Holder or beneficial owner, and in addition to the information referred to in Section 4.06, the information required to be delivered under paragraph (d)(4) of Rule 144A (as amended from time to time and including any successor provision) unless, at the time of such request, the Company is subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act.

Section 4.08 *Limitations on Incurrence of Additional Indebtedness~~; Lease Payments~~*.

(a) Neither the Parent Guarantors nor the Company will, and they will not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, incur any Indebtedness (including Acquired Indebtedness) or issue any Disqualified Capital Stock, and the Parent Guarantors and the Company will not cause or permit any of the Restricted Subsidiaries to issue any Preferred Stock, except that the Parent Guarantors, the Company and the Restricted Subsidiaries may incur Indebtedness or issue any Disqualified Capital Stock and any Restricted Subsidiary may issue any Preferred Stock, if, at the time of and immediately after giving pro forma effect to the incurrence or issuance thereof and the application of the net proceeds therefrom, the Fixed Charge Coverage Ratio (determined on a pro forma basis after giving effect to such incurrence or issuance as if such incurrence or issuance had occurred on the first day of the period for which the Fixed Charge Coverage Ratio is determined, assuming in the case of the issuance of Disqualified Capital Stock or Preferred Stock, the making of dividends thereunder at the highest possible rate provided pursuant to the terms thereof) shall be equal to or greater than~~: (i) from the Issue Date to, and including, December 31, 2022, 1.0 to 1.0, and (ii) thereafter~~ 1.1 to 1.0.

(b) Notwithstanding clause (a) above, the Parent Guarantors, the Company and the Restricted Subsidiaries, as applicable, may, at any time, incur the following Indebtedness ("**Permitted Indebtedness**") in an aggregate principal amount at any one time outstanding not to exceed U.S.$3,750,000,000 (exclusive of (i) any aircraft or engine lease obligations of the Parent Guarantors, the Company or any of the Restricted Subsidiaries that would be deemed to be Indebtedness after giving effect to IFRS 16 as in effect on the Issue Date, (ii) Indebtedness permitted under Section 4.08(b)(4) and (iii) any Permitted Refinancing Indebtedness incurred under Section 4.08(b)(9)(A) below); *provided*, *however*, that any Indebtedness that is not Aircraft Indebtedness incurred under Sections 4.08(b)(1) through (3) and (5) through (~~12~~15) below (other than in connection with any capital expenditures incurred for purposes of aircraft reconfiguration) at any one time outstanding shall not exceed an aggregate principal amount of U.S.$~~2,350,000,000~~2,750,000,000:

(1) Indebtedness in respect of (i) the ~~Exit~~Exchange Notes (excluding any Additional ~~Tranche A-1 Exit Notes or Additional Tranche A-2 Exit~~Exchange Notes) and ~~Exit~~Exchange Note Guarantees; (ii) the Refinancing Notes (excluding any additional Refinancing Notes) and Refinancing Note Guarantees; and (iii) the Stub Notes (excluding any additional Stub Notes) and Stub Notes Guarantees;

(2) other Indebtedness of the Parent Guarantors, the Company and the Restricted Subsidiaries outstanding on the Issue Date, other than Indebtedness otherwise specified under any clause of this definition of Permitted Indebtedness;

(3) Hedging Obligations entered into by the Parent Guarantors, the Company and the Restricted Subsidiaries for bona fide hedging purposes and not for speculative purposes;

(4) intercompany Indebtedness between the Parent Guarantors and the Company, between the Parent Guarantors and any Restricted Subsidiaries, between the Company and any Restricted Subsidiaries or between any Restricted Subsidiaries; *provided* that in the event that at any time any such Indebtedness ceases to be held by a Parent Guarantor, the Company or a Restricted Subsidiary, such Indebtedness will be deemed to be incurred by such Parent Guarantor, the Company or the relevant Restricted Subsidiary, as the case may be, and not permitted by this clause (4) at the time such event occurs;

(5) Indebtedness of the Parent Guarantors, the Company or any of the Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts paid in full by the close of business on the day such overdraft was incurred) drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of incurrence;

(6) Indebtedness of the Parent Guarantors, the Company or any of the Restricted Subsidiaries represented by letters of credit for the account of a Parent Guarantor, the Company or any Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;

(7) Indebtedness consisting of letters of credit, banker's acceptances, performance bonds, appeal bonds, surety bonds, customs bonds and other similar bonds and reimbursement obligations incurred by a Parent Guarantor, the Company or any Restricted Subsidiary in the ordinary course of business securing the performance of contractual, franchise or license obligations of a Parent Guarantor, the Company or any Restricted Subsidiary (in each case, other than for an obligation for borrowed money);

(8) Indebtedness of a Parent Guarantor, the Company or any of the Restricted Subsidiaries to the extent the net proceeds thereof are promptly used to redeem the ~~Exit~~Exchange Notes, Stub Notes or Refinancing Notes in full or deposited to defease or discharge the ~~Exit~~Exchange Notes, Exchange Notes, Stub Notes or Refinancing Notes, in each case in accordance with the Indenture;

(9) Permitted Refinancing Indebtedness in respect of:

(A) Indebtedness (other than Indebtedness owed to a Parent Guarantor, the Company or any Subsidiary of a Parent Guarantor) incurred pursuant to clause (a) above (it being understood that no Indebtedness outstanding on the Issue Date is incurred pursuant to such Section 4.08(a)); or

(B) Indebtedness incurred pursuant to Section 4.08(b)(1), Section 4.08(b)(2), Section 4.08(b)(9)(B) ~~and~~, Section 4.08(b)(12) (excluding Indebtedness owed to a Parent Guarantor, the Company or a Subsidiary of a Parent Guarantor) and Section 4.08(b)(13);

(10) Indebtedness arising from agreements of a Parent Guarantor, the Company or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any business, assets or Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness will at no time exceed the gross proceeds actually received by a Parent Guarantor, the Company and the applicable Restricted Subsidiary in connection with such disposition;

(11) the guarantee by a Parent Guarantor, the Company or any Guarantor of Indebtedness of a Parent Guarantor, the Company or a Restricted Subsidiary of a Parent Guarantor or the Company that was permitted to be incurred by another provision of this covenant;

(12) Acquired Indebtedness, *provided* that after giving effect to the incurrence thereof, neither a Parent Guarantor, the Issuer nor any of the Restricted Subsidiaries shall be required to guarantee any obligations in connection with such Acquired Indebtedness and the Capital Stock of the Restricted Subsidiary that has incurred such Acquired Indebtedness (or the ultimate parent entity of such Restricted Subsidiary) shall have become subject to a Lien in favor of the applicable Collateral Trustee that is subject to the applicable Collateral Trust Agreement; ~~and~~

(13) the guarantee by a Parent Guarantor, the Company, any Guarantor or any Restricted Subsidiary of Indebtedness ~~incurred by LifeMiles~~of Wamos in an aggregate principal amount at any one time outstanding that shall not ~~to~~ exceed U.S.$~~410,000,000 (or the equivalent in other currencies) and any Permitted LifeMiles Refinancing Indebtedness in respect thereof; provided that if any such Indebtedness is provided by any Permitted Holder, any Affiliate of any Permitted Holder or any other Affiliate of the Ultimate Parent, the terms of such Indebtedness shall, in any event, be no more favorable to the lenders or providers thereof than the terms of the Indebtedness of LifeMiles as in effect on the Issue Date.~~40,000,000;

(14) Aircraft Indebtedness; and

(15) additional Indebtedness in an aggregate principal amount which, when taken together with the principal amount of all other Indebtedness incurred pursuant to this clause (15) and then outstanding, will not exceed $150.0 million.

(c) In the event that an item of Indebtedness meets the criteria of clause (a) or (b) above or more than one of the categories of Permitted Indebtedness described in clauses (1) through (~~13~~15) of clause (b) above, the Company may, in its sole discretion, divide and classify (or at any time reclassify) such item of Indebtedness in any manner that complies with this Section 4.08. Indebtedness permitted by this Section 4.08 need not be permitted solely by reference to one provision permitting such Indebtedness, but may be permitted in part by such provision and in part by one or more other provisions of this Section 4.08 permitting such Indebtedness~~.~~, *provided* that the Stub Notes, the Exchange Notes or the Refinancing Notes incurred pursuant to clause (1) of clause (b) above may not be reclassified. For purposes of Section 4.08(b)(2), Indebtedness outstanding on the Issue Date shall be deemed to include all committed amounts under any agreement governing Indebtedness that is in effect on the Issue Date, and any incurrence of such committed amounts under such agreement after the Issue Date shall be deemed an incurrence of Indebtedness permitted by such Section 4.08(b)(2) at such time.

~~(d) Neither a Parent Guarantor nor the Company shall, and they shall not permit any of the Restricted Subsidiaries to, incur any direct or indirect obligation to make aircraft and engine lease rental payments (excluding (i) any "supplemental rents" or other similar terms that may be payable with respect to financing any capital expenditures for purposes of aircraft densification and (ii) any obligations relating to operating leases in respect of up to three 787-9 aircraft in respect of which: (A) a Person other than a Parent Guarantor, the Company or any of the Restricted Subsidiaries (any such Person an "**Unaffiliated Lessee**") has agreed to make any payments thereunder, directly or indirectly, and (B) neither a Parent Guarantor, the Company nor any of the Restricted Subsidiaries have an obligation to make any lease payments thereunder, provided that any obligation to use reasonable best efforts to enforce the Unaffiliated Lessee's obligations upon non-payment by the Unaffiliated Lessee shall not be deemed to be an obligation to make any lease payments by a Parent Guarantor, the Company or any of the Restricted Subsidiaries) in an aggregate amount exceeding (i) prior to January 1, 2026, U.S.$480,000,000 in the aggregate during each calendar year, and (ii) on or after January 1, 2026, an aggregate amount during each calendar year exceeding 110% of the estimated annual aircraft and lease payments set forth in the V2.0 Plan.~~

Section 4.09 *Limitation on Transactions with Affiliates.* Neither a Parent Guarantor nor the Company shall, and they shall not permit any of their Restricted Subsidiaries to, enter into any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service) involving aggregate consideration in excess of U.S.$5,000,000 with, or for the benefit of, any Affiliate of the Ultimate Parent, other than a Parent Guarantor, the Company or their Restricted Subsidiaries (an "**Affiliate Transaction**"), unless (a) such Affiliate Transaction is a Permitted Affiliate Transaction or (b) the terms of the Affiliate Transaction (other than a Strategic Investment) are conducted in the ordinary course of business and substantially as favorable to such Parent Guarantor, the Company or such Subsidiary as those that could be obtained at the time of the Affiliate Transaction in arm's length dealings with a Person who is not an Affiliate and the Company delivers to the Trustee (i) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration more than U.S.$10,000,000, an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with this Section 4.09(b), and (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of U.S.$25,000,000, an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with this Section 4.09(b) in the opinion of an Approved Appraisal Firm, as evidenced by a written report or opinion attached to such Officers' Certificate.

Section 4.10 *Repurchase of ~~Tranche A-1 Exit~~Exchange Notes upon a Change of Control.* Not later than 30 days following a Rating Decline that results from a Change of Control, the Company will make an Offer to Purchase (an "**Offer to Purchase**") all outstanding ~~Tranche A-1 Exit~~Exchange Notes at a purchase price equal to 101% of the principal amount plus accrued interest up to, but not including the date of purchase.

An "Offer to Purchase" must be made by written offer, which will specify the purchase price. The offer must specify an expiration date (the "**expiration date**") not less than 30 days or more than 60 days after the date of the offer and a settlement date for the purchase (the "**purchase date**") not more than five Business Days after the expiration date. The offer must include information required by the Securities Act, Exchange Act or any other applicable laws. The offer will also contain instructions and materials necessary to enable Holders to tender ~~Tranche A-1 Exit~~Exchange Notes pursuant to the offer.

A Holder may tender all or any portion of its ~~Tranche A-1 Exit~~Exchange Notes pursuant to an Offer to Purchase, subject to the requirement that any portion of ~~a Tranche A-1 Exit~~an Exchange Note tendered must be in a denomination of U.S.$1,000 or an integral multiple of U.S.$1.00 principal amount in excess thereof. Holders are entitled to withdraw ~~Tranche A-1 Exit~~Exchange Notes tendered up to the close of business on the expiration date. On the purchase date the purchase price will become due and payable on each ~~Tranche A-1 Exit~~Exchange Note accepted for purchase pursuant to the Offer to Purchase, and interest on ~~Tranche A-1 Exit~~Exchange Notes purchased will cease to accrue on and after the purchase date.

The Company will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws in making any Offer to Purchase, and the above procedures will be deemed modified as necessary to permit such compliance.

Section 4.11 *After-Acquired Property; Additional Collateral*.

(a) If ~~intellectual property of the type that is Collateral on~~, after the Issue Date ~~or required to become Collateral pursuant to Section 4.13~~, intellectual property is acquired by the Issuer or a Guarantor (including intellectual property of a Person that becomes a new Guarantor) that is not automatically subject to a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest under the Collateral Documents, then, to the extent applicable pursuant to the applicable Security Principles, (x) on each June 30 and December 31 of each fiscal year ~~starting on June 30, 2022~~, the Issuer or such Guarantor ~~shall~~ (i) shall provide a Lien over such property ~~substantially consistent with the Liens granted over similar property on the Issue Date or required to be granted thereafter pursuant to Section 4.13 in the applicable jurisdiction (or in the case of any jurisdiction where no Liens were previously granted, to the extent customary and reasonably achievable under applicable local law)~~ in favor of the applicable Collateral Trustee ~~and~~, (ii) shall execute and deliver such Collateral Documents as shall be necessary to vest in the applicable Collateral Trustee a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest in such intellectual property and to have such intellectual property (but subject to the limitations set forth in the Collateral Documents) added to the Collateral, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such intellectual property, and (iii) deliver certificates and Opinions of Counsel ~~consistent with the ones delivered in the applicable jurisdiction in connection with other Collateral Documents or in the case of any jurisdiction where no Liens were previously granted, such certificates and Opinions of Counsel are customary in such jurisdictions.~~ in accordance with the applicable Security Principles and (y) shall comply with the Collateral and Guarantee Requirements set forth in the 2025 Collateral Trust Agreement.

(b) If, after the Issue Date, any other property or assets (other than Excluded Assets) are held or acquired by ~~any~~the Issuer or a Guarantor that is not automatically subject to a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest under the Collateral Documents, then to the extent applicable pursuant to the applicable Security Principles, the Issuer or such Guarantor ~~shall~~, (x) on each June 30 and December 31 of each applicable fiscal year ~~starting on June 30, 2022~~, (i) shall provide a Lien over such property ~~substantially consistent with the Liens granted over similar property on the Issue Date or pursuant to Section 4.13 in the applicable jurisdiction (or in the case of any jurisdiction where no Liens were previously granted, to the extent customary and reasonably achievable under applicable local law)~~ in favor of the applicable Collateral Trustee ~~and~~, (ii) shall execute and deliver such Collateral Documents as shall be necessary to vest in the applicable Collateral Trustee a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest in such property and to have such property (but subject to the limitations set forth in the Collateral Documents) added to the Collateral, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such property or assets, and (iii) deliver certificates and Opinions of Counsel ~~consistent with the ones delivered in the applicable jurisdiction in connection with other Collateral Documents or in the case of any jurisdiction where no Liens were previously granted, such certificates and Opinions of Counsel are customary in such jurisdictions.~~ in accordance with the applicable Security Principles and (y) shall comply with the Collateral and Guarantee Requirements set forth in the Existing Collateral Trust Agreement.

(c) If, after the Issue Date, the Issuer or Guarantors grant a Lien on any asset for the benefit of the Refinancing Notes, the Issuer and Guarantors shall (i) provide a Lien over such property in favor of the applicable Collateral Trustee for the benefit of the Holders to the same extent provided to the Refinancing Notes, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such property or assets.

Section 4.12 *Future Guarantors*.

(a) If:

(1) (i) any Restricted Subsidiary of the Issuer that is a Non-Guarantor Subsidiary incurs Indebtedness, Disqualified Capital Stock or Preferred Stock in an amount greater than U.S.$50,000,000 (or the equivalent in other currencies, and, in the case of Preferred Stock, based solely on the liquidation preference thereof as such amount), (ii) any Restricted Subsidiary of the Issuer that is a Non-Guarantor Subsidiary guarantees any Indebtedness or Disqualified Capital Stock of the Issuer or any Parent Guarantor or any Indebtedness, Disqualified Capital Stock or Preferred Stock of any Restricted Subsidiary in an amount greater than U.S.$50,000,000 (or the equivalent in other currencies, and, in the case of Preferred Stock, based solely on the liquidation preference thereof as such amount), ~~or~~ (iii) the Issuer determines in good faith that any Non-Guarantor Subsidiary (including any newly acquired or formed Subsidiary) has become a Significant Subsidiary (including as a result of a Revocation) based on the most recent consolidated financial statements of the Ultimate Parent provided to the Trustee pursuant to Section 4.06 (or required to be provided thereunder), or (iv) any Restricted Subsidiary of the Issuer that is a Non-Guarantor Subsidiary guarantees the Refinancing Notes then the Issuer will cause such Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture, promptly and in any event within ninety (90) days after the applicable fiscal quarter (or one hundred twenty (120) days after a fiscal year in the case of the last fiscal quarter of each fiscal year), pursuant to which such Restricted Subsidiary shall unconditionally guarantee the ~~Tranche A-1 Exit~~Exchange Notes pursuant to one or more ~~Tranche A-1 Exit~~Exchange Note Guarantees, together with an Officers' Certificate and Opinion of Counsel; or

(2) any Restricted Subsidiary of the Issuer that is a Non-Guarantor Subsidiary acquires any asset that ~~now or hereafter~~ would otherwise be Collateral ~~(including any intellectual property) if owned by the Issuer or a Guarantor on the Issue Date or after the Issue Date~~, then to the extent applicable pursuant to ~~Section 4.13,~~ then applicable Security Principles the Issuer will cause such Restricted Subsidiary to unconditionally guarantee the ~~Tranche A-1 Exit~~Exchange Notes pursuant to one or more ~~Tranche A-1 Exit~~Exchange Note Guarantees and to (i) provide a Lien over such asset in favor of the applicable Collateral Trustee, (ii) execute and deliver such Collateral Documents as ~~are~~shall be necessary ~~or desirable to grant a first priority~~to vest in the applicable Collateral Trustee a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) ~~Lien on such assets for the benefit of the Collateral Trustee consistent with the ones delivered in the applicable jurisdiction in connection with other~~security interest in such property and to have such property (but subject to the limitations set forth in the Collateral Documents ~~or in the case of any jurisdiction where no Liens were previously granted, together with an Officers' Certificate and~~) added to the Collateral, and thereupon all provisions of this Indenture relating to the Collateral shall be deemed to relate to such property or assets, and

(iii) deliver certificates and Opinions of Counsel in accordance with the applicable Security Principles;

provided, however, that (A) no ~~Significant~~Restricted Subsidiary shall be required to become a Guarantor or be required to execute any supplemental indenture pursuant to this Section 4.12 if the execution or enforcement of such supplemental indenture and the resultant ~~Tranche A-1 Exit~~Exchange Note Guarantees or the granting of the assets as collateral thereunder is prohibited by, or in violation of, any provision of any agreement to which it is party existing at the time of such acquisition or creation or becoming a ~~Significant~~Restricted Subsidiary, as applicable; and (B) if the Issuer determines in good faith that the total assets of all Non-Guarantor Subsidiaries (measured on a combined basis) as of the last day of each fiscal quarter is greater than 20.0% of the Ultimate Parent's consolidated total assets based on the most recent consolidated financial statements of the Ultimate Parent provided to the Trustee pursuant to Section 4.06 (or required to be provided thereunder), then the Issuer will cause one or more Restricted Subsidiaries to execute and deliver to the Trustee supplemental indentures as necessary for the total assets of all Guarantors (measured on a combined basis) as of the last day of such fiscal quarter to represent at least 80.0% of the Ultimate Parent's consolidated total assets, pursuant to which such Restricted Subsidiaries shall unconditionally guarantee the ~~Tranche A-1 Exit~~Exchange Notes pursuant to one or more ~~Tranche A-1 Exit~~Exchange Note Guarantees, together with an Officers' Certificate and Opinion of Counsel.

(b) The Ultimate Parent shall not be permitted to own any Subsidiary, other than the Issuer and the Subsidiaries of the Issuer, unless at the time such Subsidiary becomes a Subsidiary of the Ultimate Parent, such Subsidiary shall (i) own, directly or indirectly, 100% of the Voting Stock of the Issuer, (ii) have unconditionally guaranteed the ~~Tranche A-1 Exit~~Exchange Notes pursuant to one or more ~~Tranche A-1 Exit~~Exchange Note Guarantees and (iii) to the extent applicable pursuant to the applicable Security Principles, have executed such Collateral Documents as are necessary or desirable to grant a first priority perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) Lien on its assets for the benefit of the applicable Collateral Trustee ~~consistent with the ones delivered in the applicable jurisdiction in connection with other Collateral Documents or in the case of any jurisdiction where no Liens were previously granted, together with~~and delivered an Officers' Certificate and Opinion of Counsel~~.~~ in accordance with the applicable Security Principles; *provided* that for the avoidance of doubt, to the extent there is no Parent Guarantor resulting from a transaction permitted under Article 5, this clause (b) shall be disregarded and of no effect.

(c) Notwithstanding the foregoing, the ~~Tranche A-1 Exit~~Exchange Note Guarantees shall be limited to the maximum amount that would not render the Guarantors' respective obligations subject to avoidance under applicable fraudulent conveyance laws (or in breach of similar concepts or other limitations).

(d) Each ~~Tranche A-1 Exit~~Exchange Note Guarantee shall be released in accordance with Section 10.09.

Section 4.13 *Post-Closing Obligations*.

(a) The Ultimate Parent and the Issuer shall, and shall cause the Restricted Subsidiaries, to complete the actions set forth in Schedule 4.13 within the time periods set forth therein (or such longer periods agreed by the applicable Collateral Trustee in its reasonable discretion; *provided* that the applicable Collateral Trustee may not agree to extend any such period to be more than twice as long as the original length of such period as set forth in Schedule 4.13 prior to giving effect to any such extension).[1]

Section 4.14 *Further Assurances; Control Agreements*.

(a) The Issuer and Guarantors shall, at their sole expense and subject to the applicable Security Principles, do all acts which may be reasonably necessary to confirm that the applicable Collateral Trustee holds, for the benefit of the Secured Parties, duly created, enforceable and perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) first-priority Liens on the Collateral. The Issuer and Guarantors shall, at their sole expense and subject to the applicable Security Principles, execute, acknowledge and deliver such documents and instruments and take such other actions which may be reasonably necessary to assure, perfect, transfer and confirm the rights conveyed by the Collateral Documents, to the extent permitted by applicable law.

(b) The Issuer and each Guarantor shall maintain its cash and Cash Equivalents in accounts subject to a deposit account control agreements or securities account control agreement in form and substance reasonably satisfactory to the applicable Collateral Trustee, other than any Excluded Accounts ~~and other than accounts containing cash and Cash Equivalents in the aggregate not in excess of the greater of: (i) U.S.$125,000,000 and (ii) 15% of the Ultimate Parent's consolidated cash position (as shown on the Ultimate Parent's most recent balance sheet or in the notes thereto).~~.

Section 4.15 *No Impairment of the Security Interests.* Except as otherwise permitted under this Indenture (including, for the avoidance of doubt, pursuant to a transaction otherwise permitted by this Indenture), any Collateral Trust Agreement and the Collateral Documents, none of the Company nor any of the Guarantors shall be permitted to take any action, or knowingly omit to take any action, which action or omission would have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Trustee, the applicable Collateral Trustee and the Holders of the ~~Tranche A-1 Exit~~Exchange Notes.

Section 4.16 *Maintenance of IP Pledge*. On each June 30 and December 31 of each fiscal year ~~starting on June 30, 2022~~, each of the Issuer or Guarantor shall, at its sole cost and expense, do all acts which may be reasonably necessary to maintain, protect and enforce the IP Pledge (including any intellectual property included therein pursuant to Section 4.11(a)) and shall not permit such IP Pledge to lapse or become abandoned, and shall not license any such IP Pledge other than (i) licenses entered into, or incidental to, the ordinary course of business~~.~~, (ii) the lapse or abandonment of intellectual property that has expired at the end of its natural statutory term under applicable law (taking into account all renewals, extensions and grace periods), and (iii) as

[1] Schedule to be included in executed indenture.

otherwise permitted or not prohibited by this Indenture, the applicable Collateral Trust Agreement or the applicable Security Documents.

Section 4.17 *Ratings*. The Ultimate Parent shall cooperate with the applicable Rating Agencies to obtain a corporate family and/or corporate credit rating from two of the Rating Agencies and shall use commercially reasonable efforts to cause the Issuer to be continuously rated by such Rating Agencies but shall not be required to obtain any specific rating.

Section 4.18 *Liquidity*. The Ultimate Parent will not permit the aggregate amount of Liquidity to be less than U.S.$400,000,000 at the end of any Business Day following the Issue Date.

Section 4.19 *Limitations on Restricted Payments*.

(a) Neither any Parent Guarantor nor the Company shall, and they shall not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a "**Restricted Payment**"):

(1) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of such Parent Guarantor, the Company or any Restricted Subsidiary to holders of such Capital Stock, other than:

(A) dividends or distributions payable in Qualified Capital Stock of the Ultimate Parent;

(B) dividends or distributions payable to a Parent Guarantor, the Company and/or a Restricted Subsidiary; or

(C) dividends, distributions or returns of capital made on a pro rata basis to such Parent Guarantor, the Company or the Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on a less than pro rata basis to any minority holder);

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of a Parent Guarantor or the Company held by Persons other than a Parent Guarantor, the Company or any of the Restricted Subsidiaries;

(3) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness; or

(4) make any Investment (other than Permitted Investments); if at the time of the Restricted Payment and immediately after giving *pro forma* effect thereto:

(A) a Default or an Event of Default has occurred and is continuing;

(B) the Company is not able to incur at least U.S.$1.00 of additional Indebtedness pursuant to Section 4.08(a); or

(C) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof will exceed the sum of:

(1) 50% of Consolidated Net Income for the period (taken as one accounting period) commencing on the first day of the fiscal quarter in which the Issue Date occurred to and including the last day of the first full fiscal quarter ended immediately prior to the date of such Restricted Payment for which consolidated financial statements are available (or, in case such Consolidated Net Income is a deficit, minus 100% of such deficit); plus

(2) 100% of the aggregate net cash proceeds or Fair Market Value of assets received by the Ultimate Parent subsequent to the Issue Date as a contribution to its common equity capital or from the issue or sale of Capital Stock (other than Disqualified Capital Stock) of the Ultimate Parent or from the issue or sale of convertible or exchangeable Disqualified Capital Stock or convertible or exchangeable debt securities of the Ultimate Parent that have been converted into or exchanged for such Capital Stock (other than Capital Stock (or Disqualified Capital Stock or convertible or exchangeable debt securities) sold to a Subsidiary of the Ultimate Parent); plus

(3) to the extent that any Investment (other than a Permitted Investment) that was made under this clause (C) after the Issue Date is sold or otherwise liquidated or repaid (other than to a Parent Guarantor, the Issuer or a Restricted Subsidiary), the amount of cash received by any Parent Guarantor, the Issuer or any Restricted Subsidiary in respect of such sale, liquidation or disposition or the Fair Market Value of property received by such Parent Guarantor, the Issuer or any Restricted Subsidiary in respect of such sale, liquidation or disposition (in each case, less the cost of disposition, liquidation or repayment, if any, paid or to be paid by such Parent Guarantor, the Issuer or any Restricted Subsidiary); plus

(4) to the extent that any Unrestricted Subsidiary designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged with or consolidated into a Parent Guarantor, the Issuer or a Restricted Subsidiary after the Issue Date, the lesser of (i) the Fair Market Value of such Parent Guarantor's or the Issuer's Investment in such Subsidiary as of the date of such redesignation or merger or consolidation or (ii) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after the Issue Date; plus

(5) 100% of any dividends or distributions received by a Parent Guarantor, the Issuer or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary or unconsolidated investee of such Parent Guarantor, the

Issuer to the extent such dividends or distributions were not included in the calculation of Consolidated Net Income; plus

(6) the amount of cash received by a Parent Guarantor, the Issuer or a Restricted Subsidiary as repayment of loans which constitute Investments (other than Permitted Investments) made under this clause (C) after the Issue Date by a Parent Guarantor, the Issuer or a Restricted Subsidiary or the value of Guarantees made under this clause (C) after the Issue Date by a Parent Guarantor, the Issuer or a Restricted Subsidiary which constituted Investments (other than Permitted Investments) that have been released in full.

(b) Notwithstanding Section 4.19(a), this Section 4.19 does not prohibit:

(1) the payment of any dividend within 60 days after the date of declaration of such dividend if the dividend would have been permitted on the date of declaration pursuant to this Section 4.19;

(2) the acquisition of any shares of Capital Stock of the Ultimate Parent,

(A) in exchange for Qualified Capital Stock of the Ultimate Parent; or

(B) through the application of the net cash proceeds received by the Ultimate Parent from a substantially concurrent sale of Qualified Capital Stock of the Ultimate Parent or a contribution to the equity capital of the Ultimate Parent not representing an interest in Disqualified Capital Stock, in each case not received from a Subsidiary of the Ultimate Parent;

(3) the acquisition of any shares of Capital Stock of Aerovías del Continente Americano S.A. Avianca pursuant to the share buy-back program in existence as of the Issue Date in an amount not to exceed U.S.$1,000,000 for all such repurchases during any fiscal year,

(4) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net cash proceeds of a substantially concurrent sale, other than to a Subsidiary of the Ultimate Parent, of:

(A) Qualified Capital Stock of the Ultimate Parent; or

(B) Permitted Refinancing Indebtedness for such Subordinated Indebtedness;

(5) repurchases by the Ultimate Parent of Capital Stock of the Ultimate Parent or options, warrants or other securities exercisable or convertible into Capital Stock of the Ultimate Parent from employees or directors of the Ultimate Parent, the Company or any of their Subsidiaries or their authorized representatives upon the death, disability or termination of employment or directorship of the employees or directors in an amount not to exceed U.S.$10,000,000 for all such repurchases during any fiscal year;

(6) the repurchase of any Subordinated Indebtedness at a purchase price not greater than 101% of the principal amount thereof in the event of a change of control pursuant to a provision no more favorable to the holders thereof than Section 4.10 hereof; *provided* that, prior to the repurchase the Company has made an Offer to Purchase and repurchased all ~~Tranche A-1~~Exchange Notes issued under this Indenture that were validly tendered for payment in connection with such offer to purchase;

(7) repurchases of Capital Stock deemed to occur upon the exercise of stock options if the Capital Stock represents all or a portion of the exercise price thereof (or related withholding taxes), and Restricted Payments by the Ultimate Parent to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of the Ultimate Parent;

(8) if no Default or Event of Default has occurred and is continuing, the declaration and payment of dividends to holders of any class or series of Disqualified Capital Stock of a Parent Guarantor, the Company or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary issued in accordance with Section 4.08(a) to the extent such payment is made when due in accordance with its terms; ~~and~~

(9) if no Default or Event of Default has occurred and is continuing or would exist after giving *pro forma* effect thereto, Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (~~ix~~9), does not exceed U.S.$25,000,000 (or the equivalent in other currencies)~~.~~; and

(10) the declaration and payment of dividends or distributions by the Issuer or any Guarantor to, or the making of loans to, any Parent Entity in amounts required for any Parent Entity to pay or cause to be paid, in each case without duplication;

(A) franchise, excise and similar taxes and other fees, taxes and expenses, in each case, required to maintain their corporate or other legal existence;

(B) for any taxable period for which the Ultimate Parent and/or any of its Subsidiaries are members of a consolidated, combined or unitary tax group for applicable U.S. federal, state, local or foreign income tax purposes of which a direct or indirect parent of the Ultimate Parent is the common parent (a "Tax Group"), the portion of any U.S. federal, state, local or foreign taxes (as applicable) of such Tax Group for such taxable period that are attributable to the income of the Ultimate Parent and/or its Subsidiaries; provided that Restricted Payments made pursuant to this Section 4.19(b)(10)(B) shall not exceed the tax liability that the Ultimate Parent and/or its Subsidiaries (as applicable) would have incurred were such taxes determined as if such entity(ies) were a standalone taxpayer or standalone group, as the case may be;

(C) customary salary, incentive compensation, bonus, severance and other benefits payable to, and indemnities provided on behalf of, future, current or former officers, employees, directors, managers, independent contractors and consultants of any Parent Entity to the extent such salaries, bonuses, severance and other benefits and indemnities are attributable to the ownership or operation of the Ultimate Parent and any

Restricted Subsidiaries, including (without limitation) (x) payments under the Intercompany Strategic Advisory Services Agreement and (y) the Ultimate Parent's, the Issuer's or any Restricted Subsidiaries' proportionate share of such amount relating to such Parent Entity being a public company;

(D) general corporate, operating and other costs and expenses (including, without limitation, expenses related to the maintenance of corporate or other existence and auditing or other accounting or tax reporting matters) and listing fees and other costs and expenses attributable to being a public company, as applicable, of the Ultimate Parent, the Issuer or any Parent Entity;

(E) fees and expenses of such Parent Entity related to any equity or debt offering or non-ordinary course transaction (whether or not successful or abandoned), on or after the Issue Date; provided that any such transaction was intended to be for the benefit of the Ultimate Parent, the Issuer and the Restricted Subsidiaries;

(F) amounts (including fees and expenses) that would otherwise be permitted to be paid directly by the Ultimate Parent or Issuer pursuant to Section 4.09;

(G) cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Equity Interests of the Ultimate Parent, Issuer or any Parent Entity;

(H) any Restricted Payments permitted by Sections 4.19(b)(2), 4.19(b)(5) or 4.19(b)(7); and

(I) any Investment or other acquisition or investment that would otherwise be permitted to be made pursuant to this Section 4.19 if made by the Ultimate Parent, Issuer or any Restricted Subsidiary; provided that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such Parent Entity shall cause (1) all property acquired (whether assets or Equity Interests but not including any loans or advances made pursuant to clauses (xiii) or (xiv) of the definition of "Permitted Investments") to be contributed to the capital of the Issuer or one of its Restricted Subsidiaries or (2) the Person formed or acquired to merge into, or amalgamate or consolidate with, the Ultimate Parent, the Issuer or one of the Restricted Subsidiaries (to the extent not prohibited by Article 5) in order to consummate such Investment, (C) to the extent constituting an Investment, such Investment shall be deemed to have been made by the Ultimate Parent, Issuer or such Restricted Subsidiary in a manner permitted or not prohibited by this Indenture, (D) such Parent Entity and its Affiliates (other than the Ultimate Parent, the Issuer or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Ultimate Parent, the Issuer or a Restricted Subsidiary could have given such consideration or made such payment in compliance with this Indenture and (E) any property received by the Ultimate Parent, Issuer or a Restricted Subsidiary in excess thereof shall not increase amounts available for Restricted Payments pursuant to Section 4.19(a)(4)(C).

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expended pursuant to Section 4.19(b)(1) (without duplication for the declaration of the relevant dividend) and Section 4.19(b)(4) will be included in such calculation and amounts expended pursuant to Section 4.19(b)(2), Section 4.19(b)(3), Sections 4.19(b)(5)~~, Section 4.19(b)(6), Section 4.19(b)(7) and Section 4.19(b)(8~~ through (10) will not be included in such calculation.

The amount of any Restricted Payments not in cash will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by the applicable Parent Guarantor, the Company or the relevant Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment.

Section 4.20 *Limitations on Designation of Unrestricted Subsidiaries*.

(a) The Ultimate Parent may designate after the Issue Date any Subsidiary of the Company as an "Unrestricted Subsidiary" under this Indenture (a "**Designation**") only if:

(1) no Default or Event of Default has occurred and is continuing at the time of or after giving effect to such Designation;

(2) the Company could incur U.S.$1.00 of additional Indebtedness pursuant to Section 4.08(a), on a pro forma basis taking into account such designation;

(3) the Company would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation) as a Restricted Payment pursuant to Section 4.19(a) in an amount (the "**Designation Amount**") equal to the Fair Market Value of the amount of the Company's Investment in such Subsidiary on such date; *provided*, that with respect to a Designation involving an amount in excess of U.S.$25,000,000, such Fair Market Value as confirmed by an Approved Appraisal Firm, as evidenced by a written report or opinion attached to an Officers' Certificate;

(4) such designation is reasonably and in good faith determined by an Officer of the Issuer to promote or significantly benefit the operational businesses of the Issuer and the Restricted Subsidiaries on the date of such designation; and

(5) such designation is otherwise consistent with the requirements set forth in the definition of "Unrestricted Subsidiary".

(b) Neither any Parent Guarantor, the Company nor any Restricted Subsidiary will at any time, except as permitted by Section 4.08 (including, for the avoidance of doubt and without limitation, the permission under Section 4.08(b)(13) relating to Wamos) and Section 4.19:

(1) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of any Unrestricted Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness);

(2) be directly or indirectly liable for any Indebtedness of any Unrestricted Subsidiary; or

(3) be directly or indirectly liable for any Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of any Unrestricted Subsidiary, except for any non-recourse Guarantee given solely to support the pledge by a Parent Guarantor, the Company or any Restricted Subsidiary of the Capital Stock of any Unrestricted Subsidiary.

(c) The Ultimate Parent may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "**Revocation**") only if:

(1) no Default or Event of Default has occurred and is continuing at the time of and after giving effect to such Revocation; and

(2) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if incurred at such time, have been permitted to be incurred for all purposes of the Indenture.

(d) Upon a Restricted Subsidiary becoming an Unrestricted Subsidiary,

(1) all existing Investments of the Parent Guarantors, the Company, and the Restricted Subsidiaries therein (valued at the Parent Guarantors', the Company's or the Restricted Subsidiary's proportional share of the Fair Market Value of its assets less liabilities) will be deemed made at that time;

(2) all existing Capital Stock or Indebtedness of any Parent Guarantor or a Restricted Subsidiary held by it will be deemed incurred at that time, and all Liens on property of any Parent Guarantor or a Restricted Subsidiary held by it will be deemed incurred at that time;

(3) all existing transactions between it and the Parent Guarantors, the Company or any Restricted Subsidiary will be deemed entered into at that time;

(4) it is released at that time from its ~~Tranche A-1 Exit~~Exchange Note Guarantee, if any; and

(5) it will cease to be subject to the provisions of this Indenture as a Restricted Subsidiary.

(e) Upon an Unrestricted Subsidiary becoming, or being deemed to become, a Restricted Subsidiary,

(1) all of its Indebtedness, Disqualified Capital Stock and, to the extent applicable, Preferred Stock will be deemed incurred at that time for purposes of Section 4.08;

(2) Investments therein previously charged under Section 4.19 will be credited thereunder;

(3) may be required to issue a guarantee; and

(4) it will thenceforward be subject to the provisions of this Indenture as a Restricted Subsidiary.

(f) The Designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be deemed to include the Designation of all of the Subsidiaries of such Subsidiary. All Designations and Revocations must be evidenced by board resolutions of the Company's (or to the extent applicable, the Ultimate Parent's) board of directors and an Officers' Certificate delivered to the Trustee certifying compliance with the preceding provisions.

Section 4.21 *Limitation on Liens*.

~~.~~(a) Neither any Parent Guarantor nor the ~~Company~~Issuer shall, and they shall not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, incur any Liens of any kind (except for Permitted Liens) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom.

(b) In addition, and notwithstanding clause (a) of this Section 4.21, neither any Parent Guarantor nor the Issuer shall, and they shall not cause or permit any of the Restricted Subsidiaries to, directly or indirectly, incur any Permitted Liens securing Indebtedness for borrowed money, upon the Route Authority Assets, whether owned on the Issue Date or acquired after the Issue Date, unless (i) such Liens secure the Exchange Notes and the Exchange Note Guarantees, the Refinancing Notes and the Refinancing Note Guarantees and the Stub Notes and the Stub Note Guarantees, as applicable, (ii) the Route Authority Assets constitute Excluded Assets or (iii) the Exchange Notes (or the Exchange Note Guarantee in the case of Liens on assets or property of a Guarantor) are equally and ratably secured with (or on a senior basis to, in the case such Lien secures only Subordinated Indebtedness or Junior Lien Indebtedness) the obligations secured by such Lien, together with any other Priority Lien Debt, until such time as such obligations are no longer secured by such Lien.

Section 4.22 *Limitation on Asset Sales*. Neither any Parent Guarantor nor the Company shall, and they shall not permit any of the Restricted Subsidiaries to, consummate an Asset Sale unless:

(a) such Parent Guarantor, the Company (or such Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (as determined at the time of contractually agreeing to such Asset Sale) of the assets or Capital Stock issued or sold or otherwise disposed of; and

(b) at least 75% of the consideration received in the Asset Sale, by such Parent Guarantor, the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents.

For purposes of clause (b) above, the amount of (i) any liabilities (as shown on the Ultimate Parent's, the Company's or the applicable Restricted Subsidiary's most recent balance sheet or in the notes thereto) of such Parent Guarantor, the Company or any Restricted Subsidiary (other than liabilities that are by their terms subordinated to the ~~Exit~~Exchange Notes or the ~~Exit~~Exchange Note

Guarantees) that are assumed by the transferee of any such assets or are terminated, cancelled or otherwise cease to be obligations of such Parent Guarantor or the Company in connection with such Asset Sale and, in each case from which such Parent Guarantor, the Company and all Restricted Subsidiaries have been validly released by all creditors in writing, (ii) any securities or other obligations or assets received by such Parent Guarantor, the Company or such Restricted Subsidiary from such transferee that are converted by such Parent Guarantor, the Company or Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Sale and (iii) any asset described in clause (c) below shall be deemed to be cash for purposes of this Section 4.22.

Within 365 days after the receipt of any net proceeds from an Asset Sale, the applicable Parent Guarantor or the Company (or, if applicable, the Restricted Subsidiary) may apply those net proceeds at its option in one or more of the following manners:

~~(a) [Reserved];~~

(a) to the extent such net proceeds are from an Asset Sale of assets that do not constitute Collateral, to repay, redeem, retire, defease, refinance or repurchase any Indebtedness having a Lien thereon that has a higher priority than the Liens, if applicable, securing the Exchange Notes and the Exchange Notes Guarantees on the assets that were the subject of such Asset Sale;

(b) to reduce Additional Secured Debt Facilities (~~other than~~including obligations under the ~~Exit Notes or the Exit~~Refinancing Notes, but excluding obligations under the Stub Notes~~ Guarantees~~); *provided* that if the Company or any Guarantor shall so reduce Additional Secured Debt Facilities, the Company or such Guarantor shall equally and ratably reduce Obligations under the ~~Exit~~Exchange Notes by, at their option (i) redeeming ~~Tranche A-1 Exit~~Exchange Notes as provided under Section 3.01, (ii) purchasing ~~Tranche A-1 Exit~~Exchange Notes through open-market purchases or (iii) by making an offer (in accordance with the procedures set forth herein for an Asset Sale Offer) to all holders of the ~~Tranche A-1 Exit~~Exchange Notes to purchase their ~~Tranche A-1 Exit~~Exchange Notes at a purchase price equal to 100% of the principal amount thereof, *plus* the amount of accrued but unpaid interest, if any, on the principal amount of ~~Tranche A-1 Exit~~Exchange Notes to be repurchased to the date of repurchase;

(c) (x) to make capital expenditures or (y) to purchase or make an Investment otherwise permitted under this Indenture in (A) any one or more businesses; *provided* that such Investment in any business is in the form of the acquisition of Capital Stock and it results in such Parent Guarantor, the Company or a Restricted Subsidiary owning an amount of the Capital Stock of such business such that such business constitutes a Restricted Subsidiary, (B) properties, or (C) any other assets that, in each of (A), (B) and (C), replace the businesses, properties and assets that are the subject of such Asset Sale; *provided* that if, during such 365-day period, such Parent Guarantor, the Company or a Restricted Subsidiary enters into a definitive binding agreement committing it to apply such net proceeds in accordance with the requirements of clause (x) or (y) of this paragraph after such 365th day, such 365-day period will be extended with respect to the amount of net proceeds so committed for a period not to exceed 180 days until such net proceeds are required to be applied in accordance with such agreement (or, if earlier, until termination of such agreement); and/or

(d) any combination of the foregoing;

provided, in the case of clause (b) or (c) above, (i) if an offer to purchase any Indebtedness of such Parent Guarantor, the Company or any Restricted Subsidiary is made, such amount will be deemed repaid to the extent of the amount of such offer, whether or not accepted by the holders of such Indebtedness, and no net proceeds in the amount of such offer will be deemed to exist following such offer, and (ii) if the holder of any Indebtedness of a Restricted Subsidiary of such Parent Guarantor declines the repayment of such Indebtedness owed to it from such net proceeds such amount will be deemed repaid to the extent of the declined net proceeds.

Pending the final application of any net proceeds, a Parent Guarantor, the Company or the applicable Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the net proceeds in any manner that is not prohibited by this Indenture. Any net proceeds from an Asset Sale not applied or invested in accordance with the preceding paragraph within the time periods set forth above shall constitute "**Excess Proceeds**." When the aggregate amount of Excess Proceeds exceeds U.S.$75,000,000, such Parent Guarantor, the Company or the applicable Restricted Subsidiary will make an offer (an "**Asset Sale Offer**") to all holders of the ~~Exit~~Exchange Notes and such other Additional Secured Debt Facilities that contain provisions similar to those set forth in this Section 4.22 with respect to offers to purchase with the proceeds of sales of assets to purchase, on a *pro rata* basis, the maximum principal amount of the ~~Exit~~Exchange Notes and such other Additional Secured Debt Facilities that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to (but not including) the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Asset Sale Offer, the applicable Parent Guarantor, the Company or the applicable Restricted Subsidiary may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds required to purchase Notes above, the ~~Tranche A-1 Exit~~Exchange Notes to be purchased will be selected on a *pro rata* basis and in accordance with DTC procedures, as applicable. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds hereunder will be reset at zero. To the extent Excess Proceeds exceed the outstanding aggregate principal amount of the ~~Tranche A-1 Exit~~Exchange Notes (and, if required by the terms thereof, all Indebtedness that ranks *pari passu* with the ~~Tranche A-1 Exit~~Exchange Notes), the Company need only make an Asset Sale Offer up to the outstanding aggregate principal amount of ~~Tranche A-1 Exit~~Exchange Notes (and any such Indebtedness that ranks *pari passu* with the ~~Tranche A-1 Exit~~Exchange Notes), and any additional Excess Proceeds will not be subject to this Section 4.22 and will be permitted to be used for any purpose otherwise permitted hereunder in the Company's discretion.

The Company may, at its option, satisfy the foregoing obligations with respect to any net proceeds from an Asset Sale by making an Asset Sale Offer with respect to such net proceeds prior to the date required by this Indenture with respect to all or a part of the net proceeds. An Asset Sale Offer may be made at the same time as consents are solicited with respect to an amendment, supplement or waiver of this Indenture, ~~Tranche A-1 Exit~~Exchange Notes and/or ~~Exit~~Exchange Note Guarantees. The provisions under this Indenture relative to the Company's obligations to

make an offer to repurchase the ~~Tranche A-1 Exit~~Exchange Notes as a result of an Asset Sale may be waived or modified with the written consent of the Required Holders.

The Parent Guarantors, the Company or the applicable Restricted Subsidiary will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with this Section 4.22, the Parent Guarantors, the Company or the applicable Restricted Subsidiary will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.22 by virtue of such conflict.

Section 4.23 *Limitation on Dividends and Other Payment Restrictions Affecting Subsidiaries*. Neither the Parent Guarantors nor the Company will, and they will not permit any of the Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any such Restricted Subsidiary to:

(a) pay dividends or make any other distributions on its Capital Stock to the Parent Guarantors, the Company or any of the Restricted Subsidiaries, or pay any Indebtedness owed to the Parent Guarantors, the Company or any of the Restricted Subsidiaries;

(b) make loans or advances to the Parent Guarantors, the Company or any of the Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Parent Guarantors, the Company or any of the Restricted Subsidiaries.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(a) contractual encumbrances or restrictions in effect on the Issue Date, including, without limitation, pursuant to Indebtedness in existence on the Issue Date;

(b) this Indenture, the ~~Tranche A-1 Exit Notes, the~~Stub Notes Indenture, the Refinancing Notes Indenture, and the Collateral Documents ~~and Exit Note Guarantees~~;

(c) Finance Lease Obligations, Purchase Money Indebtedness or other obligations permitted under Section 4.08(b) that, in each case, impose restrictions of the nature discussed in clause (c) above in the first paragraph of this Section 4.23 on the property so acquired;

(d) applicable law or any applicable rule, regulation or order;

(e) any agreement or other instrument of a Person acquired by the Parent Guarantors, the Company or any Restricted Subsidiary in existence at the time of such acquisition (but not created in connection therewith or in contemplation thereof or to provide all or a portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(f) contracts for the sale of assets (including sale and lease back agreements), including without limitation, customary restrictions with respect to a Restricted Subsidiary pursuant to an agreement that has been entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary;

(g) secured Indebtedness otherwise permitted to be incurred pursuant to Sections 4.08 and 4.21 that limits the right of the debtor to dispose of the assets securing such Indebtedness;

(h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or other restrictions on cash or deposits constituting Permitted Liens;

(i) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business;

(j) customary provisions contained in leases, subleases, licenses, sublicensor asset sale agreements and other agreements;

(k) other Indebtedness or Preferred Stock, in each case, that is incurred subsequent to the Issue Date pursuant to this Indenture; *provided*, that in the good faith judgment of the board of directors of the Ultimate Parent or the Company, any such encumbrance or restriction contained in such Indebtedness shall not prohibit (except upon a default or event of default thereunder) the payment of dividends in an amount sufficient, as determined by the board of directors of the Ultimate Parent or the Company in good faith, to make scheduled cash payments on the ~~Tranche A-1 Exit~~Exchange Notes when due; and

(l) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) of the first paragraph above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (k) above; *provided* that the encumbrances or restrictions imposed by such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the board of directors of the Ultimate Parent or the Company, not materially more restrictive than encumbrances and restrictions contained in such predecessor agreements and do not affect the Company's and the Guarantors' ability, taken as a whole, to make payments of interest and scheduled payments of principal in respect of the ~~Tranche A-1 Exit~~Exchange Notes, in each case as and when due.

For purposes of determining compliance with this Section 4.23, (1) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock will not be deemed a restriction on the ability to make distributions on Capital Stock and (2) the subordination of loans or advances made to a Parent Guarantor, the Company or a Restricted Subsidiary to other Indebtedness incurred by a Parent Guarantor, the Company or any such Restricted Subsidiary will not be deemed a restriction on the ability to make loans or advances.

Section 4.24 *Loyalty Programs*.

(a) The Issuer agrees to honor (or cause LifeMiles to honor) Currency according to the policies and procedures of the Loyalty Program in effect from time to time except to the extent that would not reasonably be expected to cause a Material Adverse Effect;

(b) The Issuer shall take (or cause any of the Restricted Subsidiaries to take) any action permitted that it, in its reasonable business judgment, determines is advisable, in order to diligently and promptly (i) enforce its rights and any remedies available to it under the LifeMiles Agreements in effect from time to time, (ii) perform its obligations under the LifeMiles Agreements in effect from time to time and (iii) cause the applicable counterparties to perform their obligations under the related LifeMiles Agreements in effect from time to time, including such counterparties' obligations, as applicable, to make payments to and indemnify the Issuer (or the Restricted Subsidiary, as applicable) in accordance with the terms thereof in each case except to the extent that would not reasonably be expected to cause a Material Adverse Effect;

(c) The Issuer shall not substantially reduce the Loyalty Program business or modify the terms of the Loyalty Program in any manner that would reasonably be expected to cause a Material Adverse Effect;

(d) The Issuer shall not and shall not permit any of the Restricted Subsidiaries to change the policies and procedures of the Loyalty Program in any manner that would reasonably be expected to cause a Material Adverse Effect; and

(e) The Issuer shall not, ~~or~~and shall not permit any of its Subsidiaries to, establish, create, or operate any Loyalty Program, other than the Loyalty Program in effect on the Issue Date, unless: (x) substantially all (i) such Loyalty Program cash payments (which excludes, for the avoidance of doubt, airline revenues such as ticket sales and baggage fees), (ii) accounts in which such cash payments are deposited, (iii) intellectual property and member data (but solely to the extent that such intellectual property and member data would be included in the scope of the IP Pledge), and (iv) material third-party co-branding, partnering or similar agreements, including airline-to-airline frequent flyer program agreements related to or entered into in connection with such Loyalty Program, intercompany agreements and other property concerning the operation of such Loyalty Program are pledged to the applicable Collateral Trustee as Collateral on a first lien basis on terms consistent with the terms in effect on the Issue Date or required to be granted thereafter pursuant to Section 4.13~~,~~ and (y) such Loyalty Program would be on terms substantially similar to those of the Loyalty Program as of the Issue Date or otherwise acceptable to the Required Holders~~.~~; *provided* that, for the avoidance of doubt, nothing shall prohibit the Ultimate Parent, the Issuer or any of their respective Subsidiaries from offering and providing discounts or other incentives for flights and/or goods and services.

Section 4.25 *Limitation on Sale and Leaseback Transactions*. The Issuer shall not, or shall permit any of the Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Issuer or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction: (A) in connection with the ~~re~~financing of any aircraft, engines or spare parts, or (B) in connection with any assets other than aircraft, engines or spare parts, if: (a) the Issuer or such Restricted Subsidiary, as the case may be, could have (i) incurred Indebtedness in an amount equal

to the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of IFRS relating to such Sale and Leaseback Transaction pursuant to Section ~~4.06~~4.08 and (ii) incurred a Lien to secure such Indebtedness pursuant to Section 4.21; and (b) the gross cash proceeds of such Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction.

Section 4.26 ~~*Re-registration,*~~ *Listing*.

~~(a) In connection with this agreement and the issuance of the Tranche A-1 Exit Notes, the Issuer hereby undertakes to re-register as a public company within six months from the date hereof.~~

(~~b~~a) The Issuer shall ~~list the Tranche A-1 Exit Notes on the TISE (~~use commercially reasonable efforts to list the Exchange Notes before the first Interest Payment Date on a stock exchange that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007~~) before the first Interest Payment Date~~ and shall use commercially reasonable best efforts to ~~obtain and~~ maintain such listing; *provided*, *however*, that the Issuer may delist the ~~Tranche A-1 Exit~~Exchange Notes from such exchange in accordance with the rules of such exchange and seek an alternative admission to listing, trading and/or quotation for the ~~Tranche A-1 Exit~~Exchange Notes on a different section of such exchange or by such other listing authority, stock exchange ~~and/or quotation system~~ that has been designated as a "recognised stock exchange" for the purposes of Section 1005 of the United Kingdom Income Tax Act 2007, as the Issuer's board of directors may decide. The Issuer shall promptly notify the Trustee in writing if the ~~Tranche A-1 Exit~~Exchange Notes become listed on any stock exchange ~~(other than the TISE)~~ and of any delisting of the ~~Tranche A-1 Exit~~Exchange Notes from any stock exchange.

ARTICLE 5

CONSOLIDATION, MERGER, SPIN-OFF (ESCISIÓN) OR TRANSFER

Section 5.01 *Limitation on Consolidation, Merger, Spin-Off (escisión) or Transfer of Assets.* None of the Issuer or any Guarantor will consolidate with or merge with or into, or spinoff (*escindirse*), or sell, convey, transfer or dispose of, or lease all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to, any Person ~~(other than any consolidation, merger, spin-off (*escisión*), sale, conveyance, transfer, disposition or lease of all or substantially all assets pursuant to the Plan of Reorganization)~~, except that

(a) a Guarantor may merge with or into, or spin-off (*escindirse*), or sell, convey, transfer or dispose of, or lease all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to, any Person if:

(1) the resulting, surviving or transferee Person (if not the Issuer or such Guarantor) will be a Person organized and existing under the laws of England and Wales, the United Kingdom, Colombia, the United States of America, any State thereof or the District of Columbia, the laws of the jurisdiction under which such Guarantor was organized or any other

country whose long-term debt has a Minimum Rating as of the effective date of such transaction, and such Person expressly assumes, by a supplemental indenture to this Indenture and supplements to the Collateral Documents, executed and delivered to the Trustee and the applicable Collateral Trustee, all obligations of such Guarantor under the ~~Tranche A-1 Exit~~Exchange Notes, the ~~Tranche A-1 Exit~~Exchange Note Guarantees, this Indenture and the Collateral Documents, as applicable;

(2) immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing; and

(3) the Company will have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel from independent legal counsel, each stating that such merger, sale, conveyance, spin-off, transfer, disposal or lease and such supplemental indenture and supplements to the Collateral Documents, if any, comply with this Indenture and the Collateral Documents;

provided that (i) clause (1) shall not apply to any merger, sale, conveyance, or spin-off, transfer, disposal of a Guarantor or lease of all of a Guarantor's assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, with or to any person that is not an Affiliate of the Issuer or Guarantor so long as such transaction or series of related transactions does not constitute all or substantially all of the Issuer's and Guarantors' assets as an entirety or substantially as an entirety and (ii) clause (2) shall not apply to the consolidation or merger of any Guarantor with or into the Issuer or any other Guarantor, as applicable; and

(b) the Issuer may merge with or into, or spin-off (*escindirse*), or sell, convey, transfer or dispose of, or lease all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to, any Person if:

(1) the resulting, surviving or transferee Person will be a Person organized and existing under the laws of England and Wales, and such Person expressly assumes, by a supplemental indenture to this Indenture and supplements to the Collateral Documents, executed and delivered to the Trustee and the applicable Collateral Trustee, all obligations of the Issuer under the ~~Tranche A-1 Exit~~Exchange Notes, this Indenture and the Collateral Documents, as applicable;

(2) immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing;

(3) the Issuer could incur U.S.$1.00 of additional Indebtedness pursuant to Section 4.08(a), on a pro forma basis taking into account such transaction; and

(4) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel from independent legal counsel, each stating that such merger, sale, conveyance, spin-off, transfer, disposal or lease and such supplemental indenture and supplements to the Collateral Documents, if any, comply with this Indenture and the Collateral Documents.

(c) In addition and notwithstanding clauses (a) and (b) of this Section 5.01, the Ultimate Parent, any other Parent Guarantor, the Issuer or any Restricted Subsidiary, may undertake a Permitted Reorganization.

The Trustee shall be entitled to conclusively rely with no liability therefor on and shall accept such Officers' Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in this Section 5.01, in which event it shall be conclusive and binding on the Holders.

Section 5.02 *Successor Substituted.* Upon any consolidation or merger, or any sale, assignment, conveyance, transfer, lease or disposition of all or substantially all of the properties and assets of the Issuer or any Guarantor in accordance with Section 5.01 in which the Issuer or such Guarantor is not the continuing obligor or Guarantor, as the case may be, under this Indenture, the surviving or transferee Person shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer or such Guarantor, as the case may be, under this Indenture with the same effect as if such successor had been named as the Issuer or Guarantor herein. When a successor assumes all the obligations of its predecessor under this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes and the ~~Tranche A-1 Exit~~Exchange Note Guarantee, the predecessor shall be released from those obligations; *provided* that in the case of a transfer by lease, the predecessor shall not be released from the payment of principal and interest on the ~~Tranche A-1 Exit~~Exchange Notes.

ARTICLE 6

EVENTS OF DEFAULT AND REMEDIES

Section 6.01 *Events of Default.* The term "**Event of Default**" means, when used herein, any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to, or as a result of any failure to obtain, any authorization, order, rule, regulation, judgment or decree of any governmental or administrative body or court):

(a) any default in any payment of interest (including any related Additional Amounts) on any ~~Tranche A-1 Exit~~Exchange Note when the same becomes due and payable, and such default continues for a period of 30 days;

(b) any default in the payment of principal of or premium on (including any related Additional Amounts) any ~~Tranche A-1 Exit~~Exchange Note when the same becomes due and payable upon acceleration or redemption or otherwise;

(c) a Parent Guarantor, the Issuer or a Guarantor fails to comply with any of their covenants or agreements in the ~~Tranche A-1 Exit~~Exchange Notes, ~~Tranche A-1 Exit~~Exchange Note Guarantees, this Indenture or the Collateral Documents (other than those referred to in (a) and (b) above), and such failure continues for 60 days after the Company's receipt of the notice specified below; *provided* that in the case of a failure to comply with Section 4.06 within the first 18 months after the Issue Date, such period of continuance of such default or breach shall be 120 days after receipt of such written notice;

(d) ~~(i)~~ a Parent Guarantor, the Company or any Significant Subsidiary defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by a Parent Guarantor, the

Company or any such Significant Subsidiary (or the payment of which is guaranteed by the Company or any such Significant Subsidiary) whether such Indebtedness or guarantee now exists ~~(other than any pre-petition Indebtedness that has been discharged under the Plan of Reorganization)~~, or is created after the Issue Date, if (A) such default either (1) results from the failure to pay any such Indebtedness at its stated maturity (after giving effect to any applicable grace periods) or (2) relates to an obligation other than the obligation to pay principal of any such Indebtedness at its stated maturity and results in the holder or holders of such Indebtedness causing such Indebtedness to become due prior to its stated maturity and (B) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at stated maturity (after giving effect to any applicable grace periods), or the maturity of which has been so accelerated, totals U.S.$50,000,000 (or the equivalent thereof at the time of determination) or more in the aggregate~~ or (ii) LifeMiles defaults under any Indebtedness of LifeMiles if (A) such default results in the holder or holders of such Indebtedness to have the right or ability to cause such Indebtedness to become due prior to its stated maturity and (B) the principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness of LifeMiles in default, the maturity of which has been so accelerated, totals U.S.$50,000,000 (or the equivalent thereof at the time of determination) or more in the aggregate;~~ ;

(e) one or more final judgments or decrees for the payment of money of U.S.$50,000,000 (or the equivalent thereof in other currencies at the time of determination) or more in the aggregate (to the extent not covered by an insurance policy or policies issued by insurance companies with sufficient financial resources to perform their obligations under such policies) are rendered against a Parent Guarantor, the Company or any Significant Subsidiary and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged and, in the case of each such judgment or decree, there is a period of 60 days after such judgment becomes final during which such judgment or decree is not discharged, waived or the execution thereof stayed and, in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(f) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(1) is for relief against a Parent Guarantor, the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, in an involuntary case;

(2) appoints a custodian of a Parent Guarantor, the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any of the Restricted Subsidiaries; or

(3) orders the liquidation of a Parent Guarantor, the Company or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary and the order or decree remains unstayed and in effect for 60 consecutive days;

(g) a Parent Guarantor, the Company, any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:

(1) commences a voluntary case;

(2) consents to the entry of an order for relief against it in an involuntary case;

(3) consents to the appointment of a custodian of it or for all or substantially all of its property;

(4) makes a general assignment for the benefit of its creditors; or

(5) admits in writing its inability generally to pay its debts;

(h) the ~~Tranche A-1 Exit~~Exchange Note Guarantee of a Parent Guarantor or a Significant Subsidiary that is a Guarantor or any group of Subsidiaries that are Guarantors and that, taken together as of the date of the most recent audited financial statements of the Company, would constitute a Significant Subsidiary ceases to be in full force and effect (except as contemplated by the terms hereof) or a Parent Guarantor or any such Guarantor or group of Guarantors denies or disaffirms its obligations under this Indenture or any such ~~Tranche A-1 Exit~~Exchange Note Guarantee, other than by reason of the release of the ~~Tranche A-1 Exit~~Exchange Note Guarantee in accordance with the terms of Section 10.09;

(i) (x) the Liens created by the Collateral Documents shall at any time cease to constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (unless perfection is not required by the Indenture or the Collateral Documents) other than (A) in accordance with the terms of the relevant Collateral Document and the Indenture, (B) the satisfaction in full of all obligations under the Indenture or (C) any loss of perfection that results from the failure of the applicable Collateral Trustee to maintain possession of certificates delivered to it representing securities pledged under the Collateral Documents and (y) such default continues for 30 days after receipt of written notice given by the Trustee or the holders of not less than 25% in aggregate principal amount of the then Outstanding ~~Tranche A-1 Exit~~Exchange Notes; provided that such default relates to Liens in excess of U.S.$25,000,000;

(j) unless all the Collateral has been released from the Liens in accordance with the provisions of the Collateral Documents, the Company shall assert or a Parent Guarantor or any Guarantor that is a Significant Subsidiary (or any group of Subsidiaries that are Guarantors and that, taken together as of the date of the most recent audited financial statements of the Company, would constitute a Significant Subsidiary) shall assert, in any pleading in a court of competent jurisdiction, with respect to any Collateral, that any such security interest is invalid or unenforceable.

A Default under clause (c) of this Section 6.01 shall not constitute an Event of Default until the Company shall have received from the Trustee (acting solely at the written discretion of the Holders of not less than 25% in principal amount of the ~~Tranche A-1 Exit~~Exchange Notes then outstanding) or the Holders of at least 25% in principal amount of the ~~Tranche A-1 Exit~~Exchange

Notes written notice of such Default and the Company does not cure such Default within 60 days after receipt of such notice.

An Event of Default under clause (d) of this Section 6.01 and all consequences thereof shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders of the ~~Tranche A-1 Exit~~Exchange Notes, if within 20 days after such Event of Default arose:

(1) the Indebtedness that is the basis for such Event of Default has been discharged;

(2) holders of such Indebtedness have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3) the default that is the basis for such Event of Default has been cured.

As long as the insolvency laws of the jurisdiction in which a Parent Guarantor, the Issuer or any Significant Subsidiary or Guarantor are organized provide for restrictions on or sanctions associated with the ability of the Trustee or the Holders of the ~~Tranche A-1 Exit~~Exchange Notes to, directly or indirectly, exercise the right to declare an Event of Default under clause (f) and (g), nothing in clause (f) and (g) shall (1) prevent the commencement of any reorganization proceeding in such jurisdiction, whether voluntary or involuntary, in respect of a Parent Guarantor, the Issuer or any Significant Subsidiary or Guarantor, (2) prohibit a Parent Guarantor, the Issuer or Significant Subsidiary from entering into a reorganization proceeding, or (3) cause an unfavorable effect (*efecto desfavorable*) upon a Parent Guarantor, the Issuer or any Significant Subsidiary or Guarantor.

Section 6.02 *Acceleration of Maturity, Rescission and Amendment*.

(a) If an Event of Default (other than an Event of Default specified in Section 6.01(f) or Section 6.01(g)) occurs and is continuing, the Trustee (acting solely at the written direction of the Holders of not less than 25% in principal amount of the ~~Tranche A-1 Exit~~Exchange Notes then Outstanding) or the Holders of not less than 25% in principal amount of the Outstanding ~~Tranche A-1 Exit~~Exchange Notes may declare all unpaid principal of and accrued and unpaid interest on all ~~Tranche A-1 Exit~~Exchange Notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee, if the notice is given by the Holders), stating that such notice is an "acceleration notice," and upon any such declaration such amounts shall become due and payable immediately. If an Event of Default specified in Section 6.01(f) or Section 6.01(g) occurs and is continuing, then the principal of and accrued and unpaid interest on all ~~Tranche A-1 Exit~~Exchange Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder; *provided* that, under applicable law, such acceleration would not result in subordination of the claim, in which case the ~~Tranche A-1 Exit~~Exchange Notes may only be accelerated upon the vote of the Required Holders.

(b) At any time after a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter

provided in this Article, the Required Holders by written notice to the Company and the Trustee may rescind or annul such declaration if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on Outstanding ~~Tranche A-1 Exit~~Exchange Notes, (B) all unpaid principal of the ~~Tranche A-1 Exit~~Exchange Notes that has become due otherwise than by such declaration of acceleration, (C) to the extent that payment of such interest on the ~~Tranche A-1 Exit~~Exchange Notes is lawful, interest on such overdue interest (including any Additional Amounts) as provided herein and (D) all sums paid or advanced by the Trustee and Agents hereunder and the reasonable compensation, expenses, disbursements and advances of, and indemnity due to, the Trustee and Agents and their agents and counsel; and

(2) all Events of Default have been cured or waived as provided in Section 6.13 other than the nonpayment of principal that has become due solely because of acceleration.

(c) An Event of Default under Section 6.01(d) and all consequences thereof shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the Holders of the ~~Tranche A-1 Exit~~Exchange Notes, if within 20 days after such Event of Default arose:

(1) the Indebtedness that is the basis for such Event of Default has been discharged;

(2) Holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default; or

(3) the default that is the basis for such Event of Default has been cured.

(d) No rescission pursuant to this Section 6.02 shall affect any subsequent Default or Event of Default or impair any right consequent thereto.

(e) Upon (i) the acceleration of amounts due under the ~~Tranche A-1 Exit~~Exchange Notes in accordance with the this Section 6.02 or (ii) the occurrence of any of the Events of Default under Section 6.01(a), (b), (f), (g), (h), (i) or (j) (each, an "**Enforcement Event**"), the applicable Collateral Trustee shall be entitled to vote the pledged shares.

Section 6.03 *Collection Suit by Trustee.* If an Event of Default specified in Section 6.01(a) or 6.01(b) occurs, the Trustee, in its own name as trustee of an express trust (acting solely at the written direction of the Holders of not less than 25% in principal amount of the ~~Tranche A1 Exit~~Exchange Notes then Outstanding), (i) shall institute a judicial proceeding for the collection of the whole amount then due and payable on such ~~Tranche A-1 Exit~~Exchange Notes for principal and interest (including Additional Amounts), and interest on any overdue principal and, to the extent that payment of such interest (including Additional Amounts) shall be legally enforceable, upon any overdue installment of interest (including Additional Amounts), at the rate borne by the ~~Tranche A-1 Exit~~Exchange Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, indemnities, disbursements and advances of the Trustee, its agents and counsel, (ii) shall

prosecute such proceeding to judgment or final decree and (iii) shall enforce the same against the Company or any other obligor upon the ~~Tranche A-1 Exit~~Exchange Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor under the ~~Tranche A-1 Exit~~Exchange Notes, wherever situated.

If an Event of Default occurs and is continuing, the Trustee shall (acting solely at the written direction of the Holders of not less than 25% in principal amount of the ~~Tranche A-1 Exit~~Exchange Notes then Outstanding) proceed to protect and enforce its rights and the rights of the Holders by any available proceeding at law or in equity, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture), the Trustee shall be held to represent all the Holders, and it shall not be necessary to make any Holder a party to any such proceedings.

Section 6.04 *Other Remedies.* If an Event of Default occurs and is continuing, the Trustee shall (acting solely at the written direction of the Holders of not less than 25% in principal amount of the ~~Tranche A-1 Exit~~Exchange Notes then Outstanding) pursue any available remedy to collect the payment of principal of or interest (including Additional Amounts) on the ~~Tranche A-1 Exit~~Exchange Notes or to enforce the performance of any provision of the ~~Tranche A-1 Exit~~Exchange Notes or this Indenture. For the purpose of enabling the applicable Collateral Trustee to exercise rights and remedies hereunder at such time as the applicable Collateral Trustee shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Issuer and each Guarantor hereby grants to the applicable Collateral Trustee, an irrevocable, non-exclusive, worldwide, royalty-free (and free of any other obligation of payment) license to use, assign, license or sublicense any of the intellectual property subject to IP Pledge now owned, licensed or hereafter acquired by the Issuer or such Guarantor.

Section 6.05 *Trustee May Enforce Claims Without Possession of ~~Tranche A-1 Exit~~Exchange Notes.* All rights of action and claims under this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes may be prosecuted and enforced by the Trustee without the possession of any of the ~~Tranche A-1 Exit~~Exchange Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name and as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the ~~Tranche A-1 Exit~~Exchange Notes in respect of which such judgment has been recovered.

Section 6.06 *Application of Money Collected.* Subject to any applicable Collateral Trust Agreement and any Applicable Intercreditor Agreement, any money collected by the Trustee (or the Principal Paying Agent on behalf of the Trustee) pursuant to this Article 6 shall be applied in the following order:

FIRST: ratably to the Trustee, the Registrar, the Transfer Agent, the Principal Paying Agent and ~~the~~each Collateral Trustee for amounts due to it hereunder (including, without limitation, under Section 7.06);

SECOND: to Holders for amounts due and unpaid on the ~~Tranche A-1 Exit~~Exchange Notes for principal and interest (including Additional Amounts), ratably, without preference or priority of any kind, according to the amounts due and payable on the ~~Tranche A-1 Exit~~Exchange Notes for principal and interest (including Additional Amounts), respectively; and

THIRD: to the Company or, to the extent the Trustee or a Paying Agent collects any amounts from any Guarantor, to such Guarantor or as a court of competent jurisdiction may direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.06. At least 15 days before such record date, the Company shall mail to each Holder and the Trustee a notice that states the record date, the payment date and amount to be paid.

Section 6.07 *Limitation on Suits*. A Holder may not pursue any remedy with respect to this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes unless:

(1) the Holder has previously given to the Trustee written notice stating that an Event of Default has occurred and is continuing;

(2) the Holders of at least 25% in principal amount of the ~~Tranche A-1 Exit~~Exchange Notes have made a written request to the Trustee to pursue the remedy in respect of such Event of Default;

(3) such Holder or Holders has offered and provided to the Trustee security or indemnity reasonably satisfactory to the Trustee against any cost, loss, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and provision of security or indemnity; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Required Holders.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.08 *Rights of Holders to Receive Principal and Interest.* Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal of and interest on the ~~Tranche A-1 Exit~~Exchange Notes held by such Holder, on or after the respective Payment Dates expressed in the ~~Tranche A-1 Exit~~Exchange Notes, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.09 *Restoration of Rights and Remedies.* If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such

proceeding, the Company, the Guarantors, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

Section 6.10 *Trustee May File Proofs of Claim.* The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due to the Trustee hereunder) and the Holders allowed in any judicial proceedings relative to the Company or any Guarantor, their respective creditors or their respective properties and, unless prohibited by law or applicable regulations, may vote on behalf of the Holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.06. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the ~~Tranche A-1 Exit~~Exchange Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.11 *Delay or Omission Not Waiver.* No delay or omission of the Trustee or of any Holder of any ~~Tranche A-1 Exit~~Exchange Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 6.12 *Control by Holders.* The Required Holders may direct in writing the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee shall be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of the Holders if such request or direction conflicts with any law or with this Indenture or, subject to Section 7.01, if the Trustee determines it is unduly prejudicial to the rights of other Holders (it being understood that, subject to Sections 7.01 and 7.02, the Trustee shall have no duty to ascertain whether or not such actions or forbearance are unduly prejudicial to such Holders) or would involve the Trustee in personal liability or expense; *provided*, *however*, that the Trustee may take any other action deemed proper by the Trustee that is not inconsistent with such request or direction. Prior to taking any action hereunder, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all costs, losses, liabilities and expenses caused by taking or not taking such action. To the extent that the Trustee acts at the direction of the Holders under a Trust Mandate or the Trustee directs the Collateral Trustee under a Trust Mandate, it shall mean that the Trustee acts solely at the written direction of the Holders of not less than 25% in principal amount of the ~~Tranche A-1 Exit~~Exchange Notes then Outstanding. In the event the Trustee shall receive conflicting or inconsistent requests and indemnity from two or more groups of Holders, each representing less than the Required Holders, the Trustee shall take such action as

requested by the Holders representing the greatest principal amount of the Outstanding ~~Tranche A-1 Exit~~Exchange Notes in the aggregate, notwithstanding any other provisions of this Indenture.

Section 6.13 *Waiver of Past Defaults and Events of Default.* Subject to Section 6.02, the Required Holders by written notice to the Trustee may waive an existing Default or Event of Default and its consequences except (i) a Default or Event of Default in the payment of the principal of or interest on ~~a Tranche A-1 Exit~~an Exchange Note or (ii) a Default or Event of Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each Holder affected. When a Default or Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any consequent right.

Section 6.14 *Rights and Remedies Cumulative.* Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen ~~Tranche A-1 Exit~~Exchange Notes in Section 2.08, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.15 *Waiver of Stay or Extension Laws.* The Issuer and each Guarantor covenant (to the extent that it may lawfully do so) that it shall not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes; and the Issuer and each Guarantor (to the extent that it may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

TRUSTEE AND AGENTS

Section 7.01 *Duties of Trustee and Agents*.

(a) If an Event of Default of which a Responsible Officer of the Trustee has actual knowledge has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(b) Except during the continuance of an Event of Default in the case of the Trustee only of which a Responsible Officer of the Trustee has actual knowledge, (i) the Trustee and each Agent undertake to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee or any Agent; and (ii) in the absence of bad faith on the part of the Trustee or any

Agent, the Trustee or such Agent, as the case may be, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee or such Agent, as the case may be, and conforming to the requirements of this Indenture. However, in the case of any certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee or any Agent, the Trustee or such Agent, as the case may be, shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of the mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own gross negligence, bad faith or willful misconduct, except that:

(1) this Section 7.01(c) does not limit the effect of Section 7.01(b);

(2) neither the Trustee nor any Agent shall be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee or such Agent, as the case may be, was grossly negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.07 or exercising any trust or power conferred upon it under this Indenture.

(d) Neither the Trustee nor any Agent shall be liable for interest on any money received by it except as each may agree in writing with the Company.

(e) Money held in trust by the Trustee or any Agent need not be segregated from other funds except to the extent required by law.

(f) No provision of this Indenture shall require the Trustee or any Agent to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds and/or adequate indemnity against such risk or liability is not satisfactorily assured to it.

(g) The Trustee and any Agent shall be under no obligation to exercise any of the rights or powers under this Indenture at the request or direction of the holders if such request or direction conflicts with any law or with this Indenture or, subject to the terms of this Indenture, if the Trustee or applicable Agent determines it is unduly prejudicial to the rights of other holders or would involve Trustee or applicable Agent in personal liability or expense; *provided*, *however*, that Trustee or applicable Agent may, but shall not be obliged to, take any other action deemed proper by Trustee or applicable Agent that is not inconsistent with such request or direction.

(h) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee and any Agent shall be subject to the provisions of this Section 7.01.

Section 7.02 *Rights of Trustee*.

(a) The Trustee and each Agent may rely upon, and shall be protected in acting or refraining from acting based upon, any document believed by it to be genuine and to have been signed or presented by the proper Person. Neither the Trustee nor any Agent need investigate any fact or matter stated in any such document.

(b) Before the Trustee or any Agent acts or refrains from acting, it may require an Officers' Certificate, the written advice of a qualified tax expert or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate, the qualified tax expert's written advice or Opinion of Counsel.

(c) The Trustee or any Agent may act through agents and shall not be responsible for the willful misconduct or gross negligence of any agent appointed with due care.

(d) Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate of the Company (unless other evidence in respect thereof be herein specifically prescribed).

(e) Neither the Trustee nor any Agent shall be under an obligation to exercise any of the trusts or powers vested in it by this Indenture at the request, order or direction of any of the Holders pursuant to the provisions of this Indenture, unless such Holders shall have offered to the Trustee or such Agent security or indemnity reasonably satisfactory to the Trustee or such Agent, as applicable, against the costs, expenses and liabilities that might be incurred thereby.

(f) Neither the Trustee nor any Agent shall be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; *provided* that the conduct of the Trustee or any such Agent does not constitute gross negligence.

(g) Each of the Trustee and any Agent may consult with counsel, and the written legal advice or opinion of counsel which has been documented and retained by the Trustee or applicable Agent on its files with respect to legal matters relating to this Indenture and the ~~Tranche A-1 Exit~~Exchange Notes shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with such written advice or opinion of such counsel which has been documented and retained by the Trustee or applicable Agent.

(h) Neither the Trustee nor any Agent shall be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document unless, in the case of the Trustee, requested in writing by the Required Holders; *provided* that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not satisfactorily assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require from the Holders indemnity satisfactory to the Trustee against such expenses or liabilities as a condition to proceeding; the reasonable expenses of every such

investigation shall be paid by the Company or, if paid by the Trustee, shall be reimbursed by the Company upon demand.

(i) Neither the Trustee nor any Paying Agent shall be required to invest, or shall be under any liability for interest, on any moneys at any time received by it pursuant to any of the provisions of this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes except as the Trustee or any Paying Agent may otherwise agree with the Company. Such moneys need not be segregated from other funds except to the extent required by mandatory provisions of law.

(j) In no event shall the Trustee or any Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including, but not limited to, lost profits) regardless of whether or not such damages were foreseeable or contemplated, even if the Trustee has been advised of the likelihood of such loss or damage and the form of action.

(k) The permissive rights of the Trustee enumerated herein shall not be construed as duties of the Trustee, and the Trustee shall not be answerable for other than its own gross negligence or willful misconduct in the performance or omission or any such act.

(l) The rights, privileges, protections, immunities and benefits given to the Trustee hereunder, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each of its Responsible Officers, agents, custodians and other Persons employed to act hereunder as if they were each expressly set forth herein for the benefit of the Trustee in each such capacity, Responsible Officer, agent, custodian, other Person or employee of the Trustee, mutatis mutandis. ~~The~~Each Collateral Trustee shall be subject to a prudent person standard either before, in or during an Event of Default.

(m) Neither the Trustee nor any Agent shall be required to take notice or be deemed to have notice or knowledge of any fact, event, Default or Event of Default unless a Responsible Officer of the Trustee or applicable Agent with direct responsibility for this Indenture shall have received written notice of such fact, event, Default or Event of Default or obtained actual knowledge thereof, it being understood that any lawsuit or other notice provided in accordance with the terms of this Indenture or, in the case of the Collateral Trustees, the applicable Collateral Documents, shall be deemed to constitute such written notice received by a Responsible Officer of the Trustee or applicable Agent. In the absence of receipt of such written notice or actual knowledge, the Trustee and the Agents may conclusively assume there is no Default or Event of Default.

(n) Neither the Trustee nor the Agents shall have any duty (A) to see to any recording, filing, or depositing of this Indenture, (B) to see to any insurance or (C) to see to the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind.

(o) Neither the Trustee nor the Agents shall be required to give any bond or surety in respect of the powers granted hereunder.

(p) Delivery of reports, information and documents to the Trustee shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's or any other entity's compliance with any covenants under this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes or any other related documents. Neither the Trustee nor the Agents shall be obligated to monitor or confirm, on a continuing basis or otherwise, the Company's or any other entity's compliance with the covenants described herein or with respect to any reports or other documents filed under this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes or any other related document; *provided* that, upon receipt of any lawsuit or material notice from any Governmental Authority, the Issuer or any Guarantor or any third party that could adversely affect the legal rights of the Holders under this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes, the Collateral or the Liens granted therein, the Trustee or applicable Agent shall notify the Holders thereof and seek written instructions related thereto.

(q) No provision of this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes shall be deemed to impose any duty or obligation on the Trustee or the Agents to take or omit to take any action, or suffer any action to be taken or omitted, in the performance of its duties or obligations under this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes, or to exercise any right or power thereunder, to the extent that taking or omitting to take such action or suffering such action to be taken or omitted would violate applicable law binding upon it (which determination may be based on the advice or opinion of counsel).

(r) Notwithstanding anything to the contrary herein, any and all email communications (both text and attachments) by or from the Trustee that the Trustee deems to contain confidential, proprietary, and/or sensitive information may be encrypted. The recipient (the "**Email Recipient**") of the encrypted email communication will be required to complete a registration process. Instructions on how to register and/or retrieve an encrypted message will be included in the first secure email sent by the Trustee to the Email Recipient.

(s) The Trustee and any Agent shall have the right to require that any directions, instructions or notices provided to it be signed by an Authorized Person (as hereinafter defined) or contain such other evidence as may be reasonably requested by the Trustee or Agent, as applicable, to establish the identity and/or signatures thereon. The identity of such Authorized Persons, as well as their specimen signatures, title, telephone number and e-mail address, may be delivered to the Trustee or such Agent in the list of authorized signers form and shall remain in effect until the applicable party, or an entity acting on its behalf, notifies the Trustee and the Agents of any change thereto (the person(s) so designated from time to time, the "**Authorized Persons**").

(t) Neither the Trustee nor ~~the~~any Collateral Trustee shall at any time have any responsibility or liability for or with respect to the legality, validity and enforceability of any Collateral, or the perfection and priority of any security interest created by or in any Collateral or the maintenance of any such perfection and priority, or for or with respect to the sufficiency of the Collateral or its ability to generate the payments to be distributed to Holders under this Indenture, including, without limitation, the existence, condition and ownership of any Collateral; the existence and enforceability of any insurance thereon; the existence and contents of any Collateral on any computer or other record thereof; the validity of the assignment or sale of any Collateral to the Issuer or of any intervening assignment; the completeness of any Collateral; the performance or enforcement of any Collateral; the compliance by any Person with any warranty or

representation made under any Collateral Document or in any related document or the accuracy of any such warranty or representation, or any action of any other Person taken in the name of the Issuer, the Trustee or ~~the~~any Collateral Trustee.

Section 7.03 *Individual Rights of Trustee and Agents.* The Trustee and any Paying Agent, Transfer Agent, Registrar or co-registrar, ~~the~~any Collateral Trustee, or any other agent of the Issuer or of the Trustee, in its individual or any other capacity, may become the owner or pledgee of ~~Tranche A-1 Exit~~Exchange Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee, the Transfer Agent, Paying Agent, Registrar or such other agent.

Section 7.04 *Trustee's Disclaimer.* Neither the Trustee nor any Agent shall be responsible for and makes no representation as to the validity, sufficiency or adequacy of this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes, it shall not be accountable for the Issuer's use of the proceeds from the ~~Tranche A-1 Exit~~Exchange Notes, and it shall not be responsible for any statement of the Issuer in this Indenture or in any document issued in connection with the sale of the ~~Tranche A-1 Exit~~Exchange Notes or in the ~~Tranche A-1 Exit~~Exchange Notes other than the Trustee's certificate of authentication.

Section 7.05 *Notice of Defaults and Events of Default.* If a Default or Event of Default occurs and is continuing, and if it is known to a Responsible Officer of the Trustee or ~~the~~a Collateral Trustee or such Responsible Officer has received notice thereof, the Trustee or ~~the~~a Collateral Trustee, as applicable, shall mail to each Holder notice of the Default or Event of Default within 20 days after a Responsible Officer of the Trustee or Collateral Trustee, as applicable, has received written notice of such Default or Event of Default or obtained actual knowledge thereof. Any notice given in accordance with this Indenture or, in the case of ~~the~~a Collateral Trustee, ~~the~~applicable Collateral Documents, shall be deemed to constitute such written notice received by a Responsible Officer of the Trustee or applicable Agent. Except in the case of a Default or Event of Default in payment of principal of or interest on any ~~Tranche A-1 Exit~~Exchange Note, the Trustee may withhold the notice and shall be protected from withholding the notice if and so long as a committee of its Responsible Officers of the Trustee in good faith determines that withholding the notice is in the interests of Holders.

Section 7.06 *Compensation and Indemnity.* The Company agrees to pay to the Trustee and each Agent from time to time such compensation as shall be agreed upon in writing for its services. The Trustee's compensation shall not be limited by any law regarding compensation of a trustee of an express trust. The Company agrees to reimburse promptly the Trustee each Agent and their respective agents, counsel, accountants and experts upon request for all reasonable out-of-pocket expenses incurred or made by the Trustee, each Agent and their respective agents, counsel, accountants and experts, including costs of collection, in addition to the compensation for its services. Payments of any such expenses by the Company to the Trustee, any Agent, and their respective agents, counsel, accountants and experts, as the case may be, shall be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments, fees or other governmental charges of whatever nature (and any fines, penalties or interest related thereto) imposed or levied by or on behalf of the United Kingdom, Colombia or any political subdivision or authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Company shall pay to the

Trustee or Agent, as the case may be, such Additional Amounts as may be necessary in order that every net payment made by the Company to the Trustee and such Agent, as the case may be, after deducting or withholding for or on account of any present or future tax, penalty, fine, duty, assessment or other governmental charge imposed upon or as a result of such payment by the United Kingdom, Colombia or any political subdivision or taxing authority thereof or therein shall not be less than the amount then due and payable to the Trustee or the Principal Paying Agent, as the case may be. The Company shall indemnify each of the Trustee each Agent and their respective agents, counsel, accountants and experts, against any and all loss, liability or expense (including reasonable attorneys' fees and expenses, including legal fees and expenses in connection with the enforcement of their indemnification rights hereunder) (whether brought by the Company, any Holder, or any third party) incurred by it without gross negligence or willful misconduct on its part arising out of and in connection with the administration of this Indenture, the performance of its respective duties hereunder, and the exercise of its rights hereunder including, without limitation, the costs and expenses of defending itself against any claim or liability and of complying with any process served upon it or any of its officers in connection with the exercise or performance of any of its powers or duties under this Indenture, the costs and expenses of enforcing the terms of this Indenture, including the indemnification provided herein. The Company undertakes to indemnify the Trustee each of the Agents and their respective agents, counsel, accountants and experts, and their affiliates against all losses, liabilities, including any and all tax liabilities, which, for the avoidance of doubt, shall include both British and Colombian taxes and associated penalties, costs, claims, actions, damages, expenses or demands which any of them may incur or which may be made against any of them as a result of or in connection with the appointment of or the exercise of the powers and duties or rights by the Trustee or any Agent or its affiliates under this Indenture except as may result from its own, gross negligence or willful misconduct or that of its directors, officers or employees or any of them. The Trustee and each Agent shall notify the Company promptly of any claim for which it may seek indemnity. Failure by the Trustee or such Agent to so notify the Company shall not relieve the Company of its obligations hereunder. If the Trustee or Agent, as the case may be, determines in its reasonable discretion that no conflict of interest (or potential conflict of interest) exists, the Company will be entitled to participate in the Trustee's defense of the claim or Agent's defense of the claim, as the case may be, but the Trustee or such Agent may have separate counsel and the Company shall pay the fees and expenses of such counsel.

To secure the payment obligations of the Company in this Section 7.06, the Trustee shall have a lien prior to the ~~Tranche A-1 Exit~~Exchange Notes on all money or property held or collected by the Trustee, the Principal Paying Agent or ~~the~~any Collateral Trustee, except that held in trust to pay principal of and interest on particular ~~Tranche A-1 Exit~~Exchange Notes.

The obligations of the Company pursuant to this Section 7.06 shall survive the payment of the ~~Tranche A-1 Exit~~Exchange Notes, resignation or removal of the Trustee or any Agent and the satisfaction and discharge of this Indenture. When the Trustee incurs expenses after the occurrence of a Default or Event of Default specified in Sections 6.01(f) and (g) hereof, the expenses are intended to constitute expenses of administration under any Bankruptcy Law.

The Company acknowledges that none of the Trustee, the Principal Paying Agent or any other Agent makes any representations as to the interpretation or characterization of the transactions herein undertaken for tax or any other purpose, in any jurisdiction. The Company

represents that it has fully satisfied itself as to any tax impact of this Indenture before agreeing to the terms herein, and is responsible for any and all federal, state, local, income, franchise, withholding, value added, sales, use, transfer, stamp or other taxes imposed by any jurisdiction in respect of this Indenture.

The Company agrees to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Indenture by the Trustee or any Agent.

Section 7.07 *Replacement of Trustee.* The Trustee may resign at any time by so notifying the Issuer in writing. The Required Holders may remove the Trustee by so notifying the Trustee in writing and may appoint a successor Trustee. The Issuer shall remove the Trustee if:

(1) the Trustee fails to comply with Section 7.09;

(2) the Trustee is adjudged a bankrupt or insolvent;

(3) a receiver or other public officer takes charge of the Trustee or its property;

or

(4) the Trustee otherwise becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee) the Issuer shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer . Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders.

The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the lien provided for in Section 7.06.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Holders of at least 10% of the Outstanding principal amount of the ~~Tranche A-1 Exit~~Exchange Notes may appoint or petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.09, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

Notwithstanding the replacement of the Trustee pursuant to this Section 7.07, the Company's obligation under Section 7.06 shall continue for the benefit of the retiring Trustee.

Section 7.08 *Successor Trustee by Merger*. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business (including this transaction) or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the ~~Tranche A-1 Exit~~Exchange Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such ~~Tranche A-1 Exit~~Exchange Notes so authenticated; and in case at that time any of the ~~Tranche A-1 Exit~~Exchange Notes shall not have been authenticated, any successor to the Trustee may authenticate such ~~Tranche A-1 Exit~~Exchange Notes in the name of the successor to the Trustee; and in all such cases such adopted certificates shall have the full force of all provisions within the ~~Tranche A-1 Exit~~Exchange Notes or in this Indenture relating to the certificate of the Trustee.

Section 7.09 *Eligibility; Disqualification*. The Trustee hereunder shall at all times be a corporation, bank or trust company organized and doing business under the laws of the United States or any state thereof (i) which is authorized under such laws to exercise corporate trust power, (ii) is subject to supervision or examination by governmental authorities and (iii) shall have at all times a combined capital and surplus of at least U.S.$50,000,000 as set forth in its most recent published annual report of condition. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 7.09, it shall resign immediately in the manner and with the effect specified in Section 7.07.

ARTICLE 8

DISCHARGE OF INDENTURE; DEFEASANCE

Section 8.01 *Discharge of Liability on Notes*.

(a) When (i) the Issuer or any Guarantor delivers to the Trustee all Outstanding ~~Tranche A-1 Exit~~Exchange Notes (other than ~~Tranche A-1 Exit~~Exchange Notes replaced pursuant to Section 2.08) for cancellation or (ii) all Outstanding ~~Tranche A-1 Exit~~Exchange Notes have become due and payable and the Issuer or any Guarantor deposits in trust, for the benefit of the Holders, with the Principal Paying Agent finally collected funds sufficient to pay at Maturity all Outstanding ~~Tranche A-1 Exit~~Exchange Notes and interest thereon (other than ~~Tranche A-1 Exit~~Exchange Notes replaced pursuant to Section 2.08 and if in any such case the Issuer or any Guarantor pays all other sums payable hereunder by the Issuer or such Guarantor, then this Indenture, and the obligations of the Issuer and the Guarantors pursuant hereto, shall, subject to Sections 8.01(d) and 8.06, cease to be of further effect. The Trustee shall acknowledge satisfaction and discharge of this Indenture on demand of the Issuer or any Guarantor accompanied by an Officers' Certificate and an Opinion of Counsel (each stating that all conditions precedent herein provided relating to the satisfaction and discharge of this Indenture have been complied with) and at the cost and expense of the Issuer or any Guarantor.

(b) Subject to Sections 8.01(c), 8.02 and 8.06, the Issuer or any Guarantor at any time may terminate (i) all of the Issuer's obligations under this Indenture, the ~~Tranche A-1~~

~~Exit~~Exchange Notes and the Collateral Documents ("**legal defeasance option**") or (ii) the obligations of the Issuer under Sections 4.02, 4.03, 4.04, 4.05, 4.07 through 4.24 and 5.01(ii) and 5.02, the operation of Sections 6.01(c), 6.01(d), 6.01(e), 6.01(i) and 6.01(j) ("**covenant defeasance option**"). The legal defeasance option may be exercised notwithstanding any prior exercise of the covenant defeasance option. Upon exercise by the Issuer or any Guarantor of the legal defeasance option or the covenant defeasance option, each Guarantor's obligations under its ~~Tranche A-1 Exit~~Exchange Note Guarantee will terminate.

If the legal defeasance option is exercised, payment of the ~~Tranche A-1 Exit~~Exchange Notes may not be accelerated because of an Event of Default with respect thereto. If the covenant defeasance option is exercised, payment of the ~~Tranche A-1 Exit~~Exchange Notes may not be accelerated because of an Event of Default specified in Sections 6.01(c), 6.01(d) or 6.01(e).

Upon satisfaction of the conditions set forth herein and upon request of the Issuer or any Guarantor, the Trustee shall acknowledge in writing the discharge of the obligations of the Issuer and the Guarantors hereunder except those specified in Section 8.01(c).

(c) Notwithstanding Section 8.01(a) and Section 8.01(b), Sections 2.03, 2.04, 2.05, 2.06, 2.07, 2.08, 4.06, 7.06, 7.07, 8.04, 8.05 and 8.06 shall survive until the ~~Tranche A-1 Exit~~Exchange Notes have been paid in full. Thereafter, the obligations of the Issuer and the Guarantors pursuant to Sections 7.06, 7.07, 8.04 and 8.05 shall survive. Furthermore, each Guarantor's obligations to pay fully and punctually all amounts payable by the Issuer or any Guarantor to the Trustee under this Indenture shall survive.

Section 8.02 *Conditions to Defeasance.* The Issuer or a Guarantor may exercise the legal defeasance option or the covenant defeasance option only if:

(a) the Issuer or such Guarantor irrevocably deposits or causes to be deposited with the Trustee as trust funds in trust, specifically pledged as security for, and dedicated solely to, the benefit of the Holders (the "**defeasance trust**") pursuant to an irrevocable trust and security agreement in form and substance satisfactory to the Trustee, money or U.S. Government Obligations, or a combination thereof, sufficient for the payment of principal of and interest on all the ~~Tranche A-1 Exit~~Exchange Notes to Maturity or redemption;

(b) the Issuer or such Guarantor delivers to the Trustee a certificate from an internationally recognized firm of independent accountants expressing their opinion that the payments of principal of and interest on the ~~Tranche A-1 Exit~~Exchange Notes when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment and after payment of all federal, state and local taxes or other charges or assessments in respect thereof payable by the Trustee shall provide cash at such times and in such amounts as shall be sufficient to pay principal of and interest on all the ~~Tranche A-1 Exit~~Exchange Notes when due at Maturity or on redemption, as the case may be;

(c) no Default or Event of Default has occurred and is continuing on the date of such deposit and after giving effect thereto;

(d) the deposit does not constitute a default or event of default under any other agreement binding on the Issuer or Guarantor;

(e) the Issuer or such Guarantor delivers to the Trustee an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is not qualified as, a regulated investment company under the U.S. Investment Company Act of 1940, as amended;

(f) the Issuer or such Guarantor delivers to the Trustee an Opinion of Counsel of recognized standing with respect to UK tax matters stating that, under UK law, Holders (other than UK Persons) (1) shall not recognize income, gain or loss for UK tax purposes as a result of such deposit and defeasance ~~and~~, (2) shall be subject to UK tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred and (~~2~~3) payments from the defeasance trust to any such Holder shall not be subject to withholding or deduction for or on account of any taxes, duties, assessments or other governmental charges under UK law;

(g) in the case of the legal defeasance option, the Issuer or Guarantor delivers to the Trustee an Opinion of Counsel of recognized standing with respect to U.S. federal income tax matters stating that (1) the Issuer or such Guarantor has received from, or there has been published by, the U.S. Internal Revenue Service a ruling, or (2) since the Issue Date there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the beneficial owners of the ~~Tranche A-1 Exit~~Exchange Notes shall not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and shall be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(h) in the case of the covenant defeasance option, the Issuer or such Guarantor delivers to the Trustee an Opinion of Counsel of recognized standing with respect to U.S. federal income tax matters to the effect that the beneficial owners of the ~~Tranche A-1 Exit~~Exchange Notes shall not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and shall be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred;

(i) the Issuer or such Guarantor delivers to the Trustee an Opinion of Counsel, in form and substance reasonably satisfactory to Trustee, to the effect that, as of the date of such opinion and subject to

(j) customary assumptions and exclusions following the deposit, the trust funds shall not be subject to any applicable bankruptcy, insolvency, reorganization or similar law affecting creditors' rights generally; and the Issuer or such Guarantor delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the ~~Tranche A-1 Exit~~Exchange Notes as contemplated by this Article 8 have been complied with.

Before or after a deposit, the Issuer or any Guarantor may make arrangements satisfactory to the Trustee for the redemption of ~~Tranche A-1 Exit~~Exchange Notes at a future date in accordance with Article 3.

Section 8.03 *Application of Trust Money.* The Trustee or the Principal Paying Agent on behalf of the Trustee shall hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 8.02. It shall apply the deposited money and the money from U.S. Government Obligations through the Principal Paying Agent or Paying Agents and in accordance with this Indenture to the payment of principal of and interest on the ~~Tranche A-1 Exit~~Exchange Notes.

Section 8.04 *Repayment to Company.* Upon termination of the trust established pursuant to Section 8.02, the Trustee and each Paying Agent shall promptly pay to the Company upon request, any excess cash or U.S. Government Obligations held by them.

The Trustee and each Paying Agent shall pay to the Company, upon request, any money held by them for the payment of principal of or interest on the ~~Tranche A-1 Exit~~Exchange Notes that remains unclaimed for two years after the due date for such payment of principal or interest, and, thereafter, the Trustee and each Paying Agent, as the case may be, shall not be liable for payment of such amounts hereunder and the Holders shall be entitled to such recovery of such amounts only from the Company.

Section 8.05 *Indemnity for U.S. Governmental Obligations.* The Company shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

Section 8.06 *Reinstatement.* If the Trustee or any Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or Governmental Authority enjoining, restraining or otherwise prohibiting such application, the obligations of the Issuer and the Guarantors under this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes and the ~~Tranche A-1 Exit~~Exchange Note Guarantees shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or such Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 8; *provided*, *however*, that, if the Issuer or any Guarantor has made any payment of principal of or interest on any ~~Tranche A-1 Exit~~Exchange Notes because of the reinstatement of its obligations, the Issuer and the Guarantors shall be subrogated to the rights of the Holders of such ~~Tranche A-1 Exit~~Exchange Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or such Paying Agent.

ARTICLE 9

AMENDMENTS

Section 9.01 *Without Consent of Holders.* The Issuer, the Guarantors and the Trustee may amend or supplement this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes, the ~~Tranche A-1~~

~~Exit~~Exchange Note Guarantees or the Collateral Documents without notice to or consent or vote of any Holder for the following purposes:

(1) to cure any ambiguity, omission, defect or inconsistency;

(2) to comply with Section 5.01;

(3) to add to the covenants of the Issuer or the Guarantors for the benefit of the Holders;

(4) to surrender any right conferred upon the Issuer or the Guarantors;

(5) to evidence and provide for the acceptance of an appointment by a successor Trustee or collateral trustee;

(6) to provide for the issuance of Additional ~~Tranche A-1 Exit~~Exchange Notes permitted hereunder;

(7) to provide for any guarantee of the ~~Tranche A-1 Exit~~Exchange Notes, to secure the ~~Tranche A-1 Exit~~Exchange Notes or to confirm and evidence the release, termination or discharge of any guarantee of the ~~Tranche A-1 Exit~~Exchange Notes when such release, termination or discharge is permitted by this Indenture;

(8) to make any other change that does not adversely affect the legal rights or interests of the Holders, including, for the avoidance of doubt, to evidence and provide for the acceptance of an appointment (including by a successor) of a listing agent, registrar, paying agent or transfer agent in connection with a stock exchange listing;

(9) to comply with any applicable requirements of the SEC, including in connection with a required qualification of this Indenture under the U.S. Trust Indenture Act of 1939, as amended;

(10) to make, complete or confirm any grant of Collateral permitted or required by this Indenture or any of the Collateral Documents, or any release of Collateral pursuant to the terms of this Indenture or any of the Collateral Documents;

(11) to add additional assets as Collateral;

(12) to amend the Collateral Documents and/or enter into any Collateral Trust Agreement in a manner that does not adversely affect the legal rights or interest of the Holders; ~~or~~

(13) to conform the text of the Indenture (to the extent relating to Collateral or Collateral-related provisions), the Exchange Notes (to the extent relating to Collateral or Collateral-related provisions) or the Collateral Documents to the description of the Exchange Notes Collateral in the Exchange Offer Memorandum;

(~~13~~14) to provide for the issuance of ~~Tranche A-1 Exit~~Exchange Notes, related guarantees thereof and liens securing ~~Tranche A-1 Exit~~the Exchange Notes~~.~~; and

(15) to enter into any Applicable Intercreditor Agreement in the case of any Collateral Document, to include therein any legend required to be set forth therein pursuant to any Applicable Intercreditor Agreement or to modify such legend as required by any Applicable Intercreditor Agreement;

provided that the Company has delivered to the Trustee an Officers' Certificate stating that such amendment or supplement complies with the provisions of this Section 9.01.

Upon the written request of the Company and upon receipt by the Trustee of the documents described in Section 9.05, the Trustee shall join with the Issuer and the Guarantors in the execution of any supplemental indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations which may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects its own rights, duties or immunities under this Indenture or otherwise.

The Issuer and each Guarantor must consent to any amendment or supplement hereunder.

Section 9.02 *With Consent of Holders.* Except as specified in Section 9.01, the Issuer, the Guarantors and the Trustee, together, may amend or supplement this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes or the Collateral Documents with the written consent of the Required Holders for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or modifying in any manner the rights of the Holders under this Indenture, and the Required Holders may, except as set forth below, waive any past Default or compliance with any provision of this Indenture; *provided*, *however*, that, without the consent of Holders of at least 90% in principal amount of the Outstanding ~~Tranche A-1 Exit~~Exchange Notes, any such amendment, waiver, supplement or other modification may not (i) release or have the effect of releasing or subordinating all or substantially all of the Liens securing the obligations under the ~~Tranche A-1 Exit~~Exchange Notes or (ii) release all or substantially all of the value of the ~~Tranche A-1 Exit~~Exchange Note Guarantees; provided, further, that, without the consent of each Holder affected, an amendment or waiver may not:

(1) reduce the principal amount of or change the Stated Maturity of any payment on any ~~Tranche A-1 Exit~~Exchange Note;

(2) reduce the stated rate of any interest on any ~~Tranche A-1 Exit~~Exchange Note;

(3) reduce the amount payable upon the redemption of any ~~Tranche A-1 Exit~~Exchange Note or change the time at which any ~~Tranche A-1 Exit~~Exchange Note may be redeemed;

(4) change the currency for payment of principal of, or interest or any Additional Amounts on, any ~~Tranche A-1 Exit~~Exchange Note;

(5) impair the right to institute suit for the enforcement of any right to payment on or with respect to any ~~Tranche A-1 Exit~~Exchange Note;

(6) waive a Default or Event of Default in payment of principal of and interest on the ~~Tranche A-1 Exit~~Exchange Notes;

(7) reduce the principal amount of ~~Tranche A-1 Exit~~Exchange Notes whose Holders must consent to any amendment, supplement or waiver;

(8) make any change in this first paragraph of this Section 9.02; or

(9) contractually subordinate the ~~Tranche A-1 Exit~~Exchange Notes or the ~~Tranche A-1 Exit~~Exchange Note Guarantees in right of payment to any other obligations.

For the avoidance of doubt, Section 4.10 and related definitions may be amended, supplemented or waived with the consent of the Required Holders.

Upon the written request of the Company and upon the filing with the Trustee of evidence of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 9.05 hereof, the Trustee shall join with the Issuer and the Guarantors in the execution of such supplemental indenture but the Trustee shall not be obligated to enter into any such supplemental indenture which affects its own rights, duties or immunities under this Indenture or otherwise.

The Company shall mail to Holders prior written notice of any amendment or waiver proposed to be adopted under this Section 9.02.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment or waiver under this Section 9.02 becomes effective, the Company shall mail to Holders a notice briefly describing such amendment or waiver. The failure to give such notice to all Holders, or any defect therein, shall not impair or affect the validity of an amendment or waiver under this Section 9.02.

The Issuer and each Guarantor must consent to the amendment, supplement or waiver under this Section 9.02.

Section 9.03 *Revocation and Effect of Consents and Waivers*.

(a) A consent to an amendment or a waiver by a Holder of ~~Tranche A-1 Exit~~Exchange Notes shall bind the Holder and every subsequent Holder of that ~~Tranche A-1 Exit~~Exchange Note or portion of the ~~Tranche A-1 Exit~~Exchange Note that evidences the same debt as the consenting Holder's ~~Tranche A-1 Exit~~Exchange Note, even if notation of the consent or waiver is not made on the ~~Tranche A-1 Exit~~Exchange Note. However, any such Holder or subsequent Holder may revoke the consent or waiver as to such Holder's ~~Tranche A-1 Exit~~Exchange Note or portion of the ~~Tranche A-1 Exit~~Exchange Note if the Trustee receives the written notice of revocation at least one Business Day prior to the date the amendment or waiver becomes effective. After it becomes effective, an amendment or waiver shall bind every Holder.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the Holders entitled to give their consent or take any other action described above. If a record date is fixed, then notwithstanding Section 9.03(a) those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

Section 9.04 *Notation on or Exchange of ~~Tranche A-1 Exit~~Exchange Notes.* If an amendment changes the terms of ~~a Tranche A-1 Exit~~an Exchange Note, the Issuer may require the Holder to deliver the ~~Tranche A-1 Exit~~Exchange Note to the Trustee. If so instructed by the Issuer, the Trustee may place an appropriate notation on the ~~Tranche A-1 Exit~~Exchange Note regarding the changed terms and return it to the Holder. Alternatively, if the Issuer so determines, the Issuer in exchange for the ~~Tranche A-1 Exit~~Exchange Note shall issue and the Trustee shall authenticate a new ~~Tranche A-1 Exit~~Exchange Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new ~~Tranche A-1 Exit~~Exchange Note shall not affect the validity of such amendment.

Section 9.05 *Trustee to Sign Amendments.* The Trustee shall sign any amendment authorized pursuant to this Article 9 if the amendment, waiver or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. In signing such amendment, waiver or supplement, in addition to the documents required by Section 11.03, the Trustee shall be entitled to receive indemnity satisfactory to the Trustee and to receive, and, subject to Section 7.01, shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel each stating and as conclusive evidence that such amendment, waiver or supplemental indenture is authorized or permitted by this Indenture, that it is not inconsistent herewith, and that it shall be valid and binding upon the Issuer in accordance with its terms.

ARTICLE 10

GUARANTEES

Section 10.01 *The ~~Tranche A-1 Exit~~Exchange Note Guarantees.* Subject to the provisions of this Article 10, each Guarantor hereby irrevocably and unconditionally guarantees, jointly and severally, on a senior basis, secured by the Collateral, the full and punctual payment (whether at Stated Maturity, upon redemption, acceleration, or otherwise) of the principal of, premium, if any, and interest on, and all other amounts payable under, each ~~Tranche A-1 Exit~~Exchange Note, and the full and punctual payment of all other amounts payable by the Issuer under this Indenture. Upon failure by the Issuer to pay punctually any such amount, each Guarantor shall forthwith on demand pay the amount not so paid at the place and in the manner specified in this Indenture.

Section 10.02 *Guarantee Unconditional.* The obligations of each Guarantor hereunder are unconditional and absolute and, without limiting the generality of the foregoing, to the extent permitted by applicable law, will not be released, discharged or otherwise affected by:

(1) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Issuer under this Indenture or any ~~Tranche A-1 Exit~~Exchange Note, by operation of law or otherwise;

(2) any modification or amendment of or supplement to this Indenture or any ~~Tranche A-1 Exit~~Exchange Note;

(3) any change in the corporate existence, structure or ownership of the Issuer, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Issuer or its assets or any resulting release or discharge of any obligation of the Issuer contained in this Indenture or any ~~Tranche A-1 Exit~~Exchange Note;

(4) the existence of any claim, set-off or other rights which the Guarantor may have at any time against the Issuer, the Trustee or any other Person, whether in connection with this Indenture or any unrelated transactions; *provided* that nothing herein prevents the assertion of any such claim by separate suit or compulsory counterclaim;

(5) any invalidity or unenforceability relating to or against the Issuer for any reason of this Indenture or any ~~Tranche A-1 Exit~~Exchange Note, or any provision of applicable law or regulation purporting to prohibit the payment by the Issuer of the principal of or interest on any ~~Tranche A-1 Exit~~Exchange Note or any other amount payable by the Issuer under this Indenture; or

(6) any other act or omission to act or delay of any kind by the Issuer, the Trustee or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of or defense to such Guarantor's obligations hereunder.

Section 10.03 *Discharge; Reinstatement.* Each Guarantor's obligations hereunder will remain in full force and effect until the principal of, premium, if any, and interest on the ~~Tranche A-1 Exit~~Exchange Notes and all other amounts payable by the Issuer under this Indenture have been paid in full. If at any time any payment of the principal of, premium, if any, or interest on any ~~Tranche A1 Exit~~Exchange Note or any other amount payable by the Issuer under this Indenture is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, each Guarantor's obligations hereunder with respect to such payment will be reinstated as though such payment had been due but not made at such time.

Section 10.04 *Waiver by the Guarantors.* To the extent permitted by applicable law, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Issuer or any other Person.

Section 10.05 *Subrogation and Contribution.* Upon making any payment with respect to any obligation of the Issuer under this Article 10, the Guarantor making such payment will be subrogated to the rights of the payee against the Issuer with respect to such obligation; *provided* that the Guarantor may not enforce either any right of subrogation, or any right to receive payment in the nature of contribution, or otherwise, from any other Guarantor, with respect to such payment

so long as any amount payable by the Issuer hereunder or under the ~~Tranche A-1 Exit~~Exchange Notes remains unpaid.

Section 10.06 *Stay of Acceleration.* If acceleration of the time for payment of any amount payable by the Issuer under this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes is stayed upon the insolvency, bankruptcy or reorganization of the Issuer, all such amounts otherwise subject to acceleration under the terms of this Indenture are nonetheless payable by the Guarantors hereunder forthwith on demand by the Trustee or the Holders.

Section 10.07 *Limitation on Guarantor Liability*.

(a) Notwithstanding anything to the contrary in this Indenture, each Guarantor, and by its acceptance of ~~Tranche A-1 Exit~~Exchange Notes, each Holder, hereby confirms that it is the intention of all such parties that the ~~Tranche A-1 Exit~~Exchange Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance under applicable fraudulent conveyance provisions (or in breach of similar concepts or other limitations) of the laws of Colombia, Costa Rica, El Salvador, Guatemala, Ecuador, Bahamas, Panama, the United Kingdom or the United States, or any other applicable jurisdiction. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount that will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 10, result in the obligations of such Guarantor under its ~~Tranche A-1 Exit~~Exchange Note Guarantee not constituting a fraudulent transfer or conveyance (or in breach of similar concepts or other limitations); and

Section 10.08 *Section 10.08 Execution and Delivery of Guarantee.* The execution by each Guarantor of this Indenture (or a supplemental indenture in the form of Exhibit B) evidences the ~~Tranche A-1 Exit~~Exchange Note Guarantee of such Guarantor, whether or not the Person signing as an officer of the Guarantor still holds that office at the time of authentication of any ~~Tranche A-1 Exit~~Exchange Note. The delivery of any ~~Tranche A-1 Exit~~Exchange Note by the Trustee after authentication constitutes due delivery of the ~~Tranche A-1 Exit~~Exchange Note Guarantee set forth in this Indenture on behalf of each Guarantor.

Section 10.09 *Release of Guarantee.* The ~~Tranche A-1 Exit~~Exchange Note Guarantee of a Guarantor will terminate upon:

(1) Other than with respect to a Parent Guarantor, the sale or disposition of all or substantially all the assets of the Guarantor to a Person that is not an Affiliate in compliance with this Indenture;

(2) defeasance or discharge of the ~~Tranche A-1 Exit~~Exchange Notes, as provided in Article 8; ~~or~~

(3) the designation of such Guarantor as an Unrestricted Subsidiary in accordance with the terms of this Indenture; or

(~~3~~4) other than with respect to a Parent Guarantor, upon the sale of a Guarantor to a Person that is not an Affiliate in compliance with this Indenture.

Upon delivery by the Company to the Trustee of an Officers' Certificate and an Opinion of Counsel to the foregoing effect, the Trustee will execute any documents reasonably requested by the Company in writing in order to evidence the release of the Guarantor from its obligations under its ~~Tranche A-1 Exit~~Exchange Note Guarantee.

ARTICLE 11

MISCELLANEOUS

Section 11.01 *Provisions of Indenture and ~~Tranche A-1 Exit~~Exchange Notes for the Sole Benefit of Parties and Holders of ~~Tranche A-1 Exit~~Exchange Notes.* Nothing in this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes, expressed or implied, shall give to any Person other than the parties hereto and their successors hereunder and the Holders of the ~~Tranche A-1 Exit~~Exchange Notes any benefit or any legal or equitable right, remedy or claim under this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes.

Section 11.02 *Notices.* Any request, demand, authorization, direction, notice, consent, waiver or other communication or document provided or permitted by this Indenture to be made upon, given, provided or furnished to, or filed with, any party to this Indenture shall, except as otherwise expressly provided herein, be in writing and shall be deemed to have been received only upon actual receipt thereof by prepaid first class mail, courier, telecopier or electronic transmission, addressed to the relevant party as follows:

To the Issuer and the Guarantors:

Calle 26#59-15,
Bogota, Colombia
Attention: Richard Galindo
richard.galindo@avianca.com

with copy to: notificaciones@avianca.com and natalia.gutierrez@avianca.com

To the Trustee, Registrar, Transfer Agent or Principal Paying Agent,

Wilmington Savings Fund Society, FSB
500 Delaware Avenue, 11th Floor
Wilmington, Delaware 19801
Attention: Corporate Trust – Raye Goldsborough – Avianca MidCo 2 ~~Limited~~PLC

To the Collateral Trustees:

GLAS Americas LLC
Attention: Corporate Trust – Avianca MidCo 2 ~~Limited~~PLC

3 Second Street, Suite 206
Jersey City, NJ 07311
~~Fax: 212-202-6246~~

Email: tmgus@glas.agency and clientservices.usadcm@glas.agency

Notices or communications to the Issuer and the Guarantors will be deemed given if given to the Company.

Any party by written notice to the other parties may designate additional or different addresses for subsequent notices or communications.

Where this Indenture provides for the giving of notice to Holders, such notice shall be sent by mail to the respective addresses of the holders as they appear in the Registrar's books, and such notices will be deemed given when mailed.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed to a Holder in the manner provided above, it is duly given, whether or not the addressee receives it.

Section 11.03 *Officers' Certificate and Opinion of Counsel as to Conditions Precedent.* Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture or any Collateral Document, the Company shall furnish to the Trustee:

(1) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture or such Collateral Document, as applicable, relating to the proposed action have been complied with; and

(2) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

Section 11.04 *Rules by Trustee, Registrar, Paying Agent and Transfer Agents*. The Trustee may name the time and the place and make reasonable rules for action by or a meeting of Holders. The Registrar, the Paying Agent and the Transfer Agent may make reasonable rules for their functions.

Section 11.05 *Currency Indemnity*. U.S. Dollars are the sole currency of account and payment for all sums payable by the Issuer or the Guarantors under or in connection with the ~~Tranche A-1 Exit~~Exchange Notes or the ~~Tranche A-1 Exit~~Exchange Note Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than U.S. Dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by the Trustee or any Holder of ~~a Tranche A-1 Exit~~an Exchange Note in respect of any sum expressed to be due to it from the Issuer or the Guarantors shall only constitute a discharge to the Issuer or the Guarantors,

as the case may be, to the extent of the U.S. Dollar amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that U.S. Dollar amount is less than the U.S. Dollar amount expressed to be due to the recipient under any note, the Issuer and the Guarantors shall indemnify the Trustee or such Holder against any loss sustained by it as a result, and if the amount of U.S. Dollars so purchased is greater than the sum originally due to such Holder, such Holder shall, by accepting ~~a Tranche A-1 Exit~~an Exchange Note, be deemed to have agreed to repay such excess. In any event, the Issuer and the Guarantors shall indemnify the recipient against the reasonable cost of making any such purchase.

For the purposes of this Section 11.05, it shall be sufficient for the Holder of ~~a Tranche A-1 Exit~~an Exchange Note to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of U.S. Dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of U.S. Dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of the Issuer and the Guarantors, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of ~~a Tranche A-1 Exit~~an Exchange Note and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any note.

Section 11.06 *No Recourse Against Others.* No director, officer, employee or shareholder, as such, of the Issuer, the Guarantors or the Trustee shall have any liability for any obligations of the Issuer, the Guarantors or the Trustee, respectively, under this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes or for any claim based on, in respect of or by reason of such obligations or their creation. By accepting ~~a Tranche A-1 Exit~~an Exchange Note, each Holder shall waive and release all such liability. The waiver and release shall be part of the consideration for the issue of the ~~Tranche A-1 Exit~~Exchange Notes.

Section 11.07 *Legal Holidays.* In any case where any Interest Payment Date or Redemption Date or date of Maturity of any ~~Tranche A-1 Exit~~Exchange Note shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the ~~Tranche A-1 Exit~~Exchange Notes) payment of interest or principal need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date or Redemption Date or date of Maturity; *provided* that no interest shall accrue for the period from and after such Interest Payment Date or Redemption Date or date of Maturity, as the case may be, on account of such delay.

Section 11.08 *Governing Law and Waiver of Jury Trial.* THIS INDENTURE, THE ~~TRANCHE A-1 EXIT~~EXCHANGE NOTES AND THE ~~TRANCHE A-1 EXIT~~EXCHANGE NOTE GUARANTEES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EACH OF PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING

ARISING OUT OF OR RELATING TO THIS INDENTURE, THE ~~TRANCHE A-1 EXIT~~EXCHANGE NOTES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.09 *Consent to Jurisdiction; Waiver of Immunities*.

(a) Each of the parties hereto hereby irrevocably submits to the non-exclusive jurisdiction of any New York state or U.S. federal court sitting in the Borough of Manhattan in The City of New York with respect to actions brought against it as a defendant in respect of any suit, action or proceeding or arbitral award arising out of or relating to this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes, the ~~Tranche A-1 Exit~~Exchange Note~~s~~ ~~g~~Guarantees or any transaction contemplated hereby or thereby (a "**Proceeding**"), and irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each of the parties hereto irrevocably waives, to the fullest extent it may do so under applicable law, trial by jury and any objection which it may now or hereafter have to the laying of the venue of any such Proceeding brought in any such court and any claim that any such Proceeding brought in any such court has been brought in an inconvenient forum. The Issuer and each of the Guarantors irrevocably appoint Avianca Inc. (the "**Process Agent**"), located at 1670 NW 82nd Ave, Doral, Florida 33191, as its authorized agent to receive on behalf of it and its property service of copies of the summons and complaint and any other process which may be served in any Proceeding. If for any reason such Person shall cease to be such agent for service of process, the Issuer and each of the Guarantors shall forthwith appoint a new agent of recognized standing for service of process in the State of New York and deliver to the Trustee a copy of the new agent's acceptance of that appointment within 30 days.

(b) The Issuer and each of the Guarantors hereby irrevocably appoint the Process Agent as its agent to receive, on behalf of itself and its property, service of copies of the summons and complaint and any other process which may be served in any such suit, action or proceeding brought in such New York state or U.S. federal court sitting in the Borough of Manhattan in The City of New York. Such service shall be made by delivering by hand a copy of such process to the Issuer or any Guarantor, as the case may be, in care of the Process Agent at the address specified above. The Issuer and each of the Guarantors hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Failure of the Process Agent to give notice to the Issuer or any Guarantor, as the case may be, or failure of the Issuer or any Guarantor, as the case may be, to receive notice of such service of process shall not affect in any way the validity of such service on the Process Agent, the Issuer or the Guarantors. As an alternative method of service, the Issuer and each of the Guarantors also irrevocably consents to the service of any and all process in any such Proceeding by the delivery by hand of copies of such process to the Issuer or such Guarantor, as the case may be, at the address specified in Section 11.02 or at any other address previously furnished in writing by the Issuer or the Guarantors to the Trustee. The Issuer and each of the Guarantors covenants and agrees that it shall take any and all reasonable action, including the execution and filing of any and all documents, that may be necessary to continue the designation of the Process Agent above in full force and effect during the term of the ~~Tranche A-1 Exit~~Exchange Notes, and to cause the Process Agent to continue to act as such.

(c) Nothing in this Section 11.09 shall affect the right of any party, including the Trustee, any Agent or any Holder, to serve legal process in any other manner permitted by law

or affect the right of any party to bring any action or proceeding against any other party or its property in the courts of any other competent jurisdiction.

(d) The Issuer and each of the Guarantors irrevocably agrees that, in any proceedings anywhere (whether for an injunction, specific performance or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from such proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, except to the extent required by applicable law, any such immunity being irrevocably waived, to the fullest extent permitted by applicable law. The Issuer and each of the Guarantors irrevocably agrees that, where permitted by applicable law, it and its assets are, and shall be, subject to such proceedings, attachment or execution in respect of its obligations under this Indenture or the ~~Tranche A-1 Exit~~Exchange Notes.

Section 11.10 *Successors and Assigns.* All covenants and agreements of the Issuer and the Guarantors in this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes and the ~~Tranche A-1 Exit~~Exchange Note Guarantees shall bind their respective successors and assigns, whether so expressed or not. All agreements of the Trustee in this Indenture shall bind its successors.

Section 11.11 *Multiple Originals and Counterparts; Electronic Execution.* The parties may sign any number of copies of this Indenture, including in electronic .pdf format. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture. Delivery of an executed counterpart of a signature page of this Indenture by telecopy, e-mail, pdf, electronic signature or any other electronic means (e.g., "pdf", Docusign or "tif") shall be effective as delivery of a manually executed counterpart of this Indenture. The words "delivery," "execute," "execution," "signed," "signature," and words of like import in any document executed in connection herewith shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 11.12 *Severability Clause.* In case any provision in this Indenture or in the ~~Tranche A-1 Exit~~Exchange Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any term or provision hereof invalid or unenforceable in any respect.

Section 11.13 *Force Majeure.* In no event shall the Trustee nor any Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, lockouts, accidents, severe weather, floods, pandemics, epidemics, disease, acts of war or terrorism, civil or military disturbances or hostilities, nuclear or natural catastrophes or acts of God, any provision of any present or future law or regulation or of any Governmental

Authority, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services or Federal Reserve Bank wire service; it being understood that the Trustee and such Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 11.14 *USA Patriot Act.* The parties hereto acknowledge that, in accordance with Section 326 of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (as amended, modified or supplemented from time to time, the "**USA Patriot Act**"), the Trustee and the Collateral Trustees, like all financial institutions, ~~is~~are required to obtain, verify and record information that identifies each Person or legal entity that opens an account. The parties to this Agreement agree that they will provide the Trustee and the Collateral Trustees with such information as the Trustee or Collateral Trustees may request in order for the Trustee or Collateral Trustees to satisfy the requirements of the USA Patriot Act.

Section 11.15 *No Partnership or Joint Venture*. Nothing herein contained shall constitute a partnership between or joint venture by the parties hereto or constitute any party the agent of any other. No party shall hold itself out contrary to the terms of this Section and no party shall become liable by any representation, act or omission of the other contrary to the provisions hereof. This Indenture is not for the benefit of any third party and shall not be deemed to give any right or remedy to any such party whether referred to herein or not.

ARTICLE 12

COLLATERAL

Section 12.01 *Collateral Documents*.

(a) The due and punctual payment of the principal of, premium and interest (including Additional Amounts, if any) on the ~~Tranche A-1 Exit~~Exchange Notes when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of, premium and interest on the ~~Tranche A-1 Exit~~Exchange Notes and performance of all other obligations of the Company and the Guarantors to the Holders or the Trustee under this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes, the ~~Tranche A-1 Exit~~Exchange Note Guarantees, and the Collateral Documents, according to the terms hereunder or thereunder, shall be secured as provided in the Collateral Documents, which define the terms of the Liens that secure the Company's and the Guarantors' respective obligations hereunder. The Trustee and the Company hereby acknowledge and agree that ~~the~~each Collateral Trustee holds the applicable Collateral in trust for the benefit of the Holders and the Trustee and pursuant to the terms of the Collateral Documents and any Collateral Trust Agreement, except as otherwise provided in any Collateral Document. Each Holder, by accepting ~~a Tranche A-1 Exit~~an Exchange Note, consents and agrees to the terms of the Collateral Documents and any Collateral Trust Agreement (in each case, including the provisions providing for the possession, use, release and foreclosure of Collateral) as the same may be in effect or may be amended from time to time in accordance with their terms, and authorizes and directs ~~the~~each Collateral Trustee and the Trustee, as applicable, to enter into (and for the Trustee to acknowledge, as applicable) the applicable Collateral Documents and any

Collateral Trust Agreement and to perform its obligations and exercise its rights thereunder in accordance therewith. The Company shall deliver to ~~the~~applicable Collateral Trustee copies of all documents required to be filed pursuant to ~~the~~applicable Collateral Documents, and will do or cause to be done all such acts and things as may be reasonably required by the next sentence of this Section 12.01, to assure and confirm to the applicable Collateral Trustee the security interest in the applicable Collateral contemplated hereby, by the applicable Collateral Documents or any part thereof, as from time to time constituted, so as to render the same available for the security and benefit of this Indenture, the ~~Tranche A-1 Exit~~Exchange Notes, and the ~~Tranche A-1 Exit~~Exchange Note Guarantees, according to the intent and purposes herein expressed. The Company shall, and shall cause the Guarantors to, take any and all actions and make all filings (including the filing of UCC financing statements, continuation statements and amendments thereto (or analogous procedures under the applicable laws in the relevant jurisdiction; provided that filings with the Colombian security interest registry (*Registro de Garantías Mobiliarias*) must be made by the applicable Collateral Trustee on behalf of the Holders as per applicable Colombian regulation)) required to cause the Collateral Documents to create and maintain, as security for the obligations of the Company and the Guarantors hereunder and under the ~~Tranche A-1 Exit~~Exchange Notes, the ~~Tranche A-1 Exit~~Exchange Note Guarantees and the Collateral Documents, and the other Secured Obligations as defined in the Collateral Trust Agreements, a valid and enforceable perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) Lien and security interest in and on all of the Collateral (subject to the terms of any Collateral Trust Agreement and the Collateral Documents), in favor of the applicable Collateral Trustee for the benefit of the Holders and the other Secured Parties (as defined in the applicable Collateral Trust Agreement). If property that is intended to be Collateral is acquired by the Company or a Guarantor (including property of a Person that becomes a new Guarantor) that is not automatically subject to a perfected (or, to the extent applicable, a similar method of effecting a security interest against third parties) security interest under the Collateral Documents, then to the extent applicable pursuant to the applicable Security Principles, the Company or such Guarantor will provide a Lien over such property (or, in the case of a new Guarantor, such of its property) in favor of the applicable Collateral Trustee.

(b) The Issuer and the Guarantors shall deliver to the Trustee copies of all Collateral Documents and all notices and other documents delivered to the applicable Collateral Trustee pursuant to the applicable Collateral Documents.

(c) ~~[Reserved] .~~The Indenture, the Notes and the Collateral Documents (other than any Applicable Intercreditor Agreement) will be subject to the terms, limitations and conditions set forth in each Applicable Intercreditor Agreement. Each Holder of Notes, by its acceptance of a Note, is deemed to (i) have consented and agreed to the terms of each Applicable Intercreditor Agreement, as originally in effect and as amended, supplemented or replaced from time to time in accordance with its terms or the terms of this Indenture, the Notes and each other Collateral Document, (ii) have authorized and directed the Trustee and the corresponding Collateral Trustee, as applicable, to enter into each Applicable Intercreditor Agreement and (iii) have authorized and empowered the Trustee and the corresponding Collateral Trustee, as applicable (through each Collateral Trust Agreement and each Applicable Intercreditor Agreement, if any) to bind the Holders of Notes as set forth in the Collateral Documents to which they are a party and to perform its obligations and exercise its rights and powers thereunder, including entering into amendments permitted by the terms of the Indenture, the Notes and the

Collateral Documents. To the extent that any provision of the Indenture, the Notes and the Collateral Documents is not consistent with or contradicts the Collateral Trust Agreement (or the Applicable Intercreditor Agreements (if any)), the Collateral Trust Agreement and/or the Applicable Intercreditor Agreements (if any) shall govern.

Section 12.02 *Release of Collateral*.

(a) Subject to Sections 12.02(b), (c), and (d), the Liens securing the ~~Tranche A-1 Exit~~Exchange Notes will be automatically released, and the Trustee (subject to its receipt of an Officers' Certificate and Opinion of Counsel as provided below) shall execute documents evidencing such release, or instruct the applicable Collateral Trustee to execute, as applicable, the same at the Issuer's sole cost and expense, under one or more of the following circumstances:

(1) in whole upon:

(A) payment in full of the principal of, together with accrued and unpaid interest (including Additional Amounts, if any) on, the ~~Tranche A-1 Exit~~Exchange Notes and all other obligations under this Indenture;

(B) satisfaction and discharge of this Indenture as set forth under Article 11;

(C) a Legal Defeasance or Covenant Defeasance as set forth under Article 8;

(2) in part, as to any asset constituting Collateral:

(A) that is sold, transferred or otherwise disposed of by the Issuer or any Guarantor to any Person that is not an Affiliate of the Issuer or a Guarantor in a transaction permitted by this Indenture and the Collateral Documents,

(B) that is held by a Guarantor that is released from its ~~Tranche A-1 Exit~~Exchange Note Guarantee pursuant to Section 10.09,

(C) ~~with respect to any aircraft that constitutes Collateral, in connection with any financing (solely to the extent a security interest in such aircraft would be prohibited or restricted by the related financing documents) of such aircraft, or~~that is or becomes an Excluded Asset; or

(D) that is otherwise released in accordance with this Indenture or the Collateral Trust Agreements or the other Collateral Documents.

(b) With respect to any release of Collateral, the Trustee and the applicable Collateral Trustee shall be entitled to receive an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent under this Indenture and the Collateral Documents and any Collateral Trust Agreement, as applicable, to such release have been satisfied, that such release is authorized or permitted by the terms of this Indenture, the Collateral Documents or any Collateral Trust Agreement, and that the Trustee and the applicable Collateral Trustee are

authorized and directed to execute and deliver the documents provided by the Company in connection with such release, and any necessary or proper instruments of termination, satisfaction, discharge or release prepared by the Company. Neither the Trustee nor ~~the~~any Collateral Trustee shall be liable for any such release undertaken in reliance upon any such Officers' Certificate, Opinion of Counsel or direction and notwithstanding any term hereof or in any Collateral Document or in any Collateral Trust Agreement to the contrary, the Trustee and the Collateral Trustees shall not be under any obligation to release any such Lien and security interest, or execute and deliver any such instrument of release, satisfaction, discharge or termination, unless and until it receives such Officers' Certificate, Opinion of Counsel and direction.

(c) At any time when a Default or Event of Default has occurred and is continuing and the maturity of the ~~Tranche A-1 Exit~~Exchange Notes has been accelerated (whether by declaration or otherwise) and the Trustee has delivered notice of acceleration to the applicable Collateral Trustee, no release of the applicable Collateral pursuant to the provisions of this Indenture or the applicable Collateral Documents shall be effective as against the Holders, except as otherwise provided in any applicable Collateral Trust Agreement and any Applicable Intercreditor Agreement.

(d) Notwithstanding anything to the contrary in this Section 12.02 and the partial release of Liens in accordance with sections (a) and (b) above, Liens shall not be released in whole while other Secured Obligations (as defined in the Collateral Trust Agreement) are still outstanding.

Section 12.03 *Suits to Protect the Collateral*.

Subject to the provisions of Article 7 hereof and the Collateral Documents and any Collateral Trust Agreement, the Trustee, without the consent of the Holders, on behalf of the Holders, may or may direct the applicable Collateral Trustee to take all actions the Trustee may determine in order to:

(a) enforce any of the terms of the Collateral Documents; and

(b) collect and receive any and all amounts payable in respect of the obligations hereunder.

Subject to the provisions of the Collateral Documents and any Collateral Trust Agreement, the Trustee and the applicable Collateral Trustee shall have power to institute and to maintain such suits and proceedings as the Trustee may determine to prevent any impairment of the Collateral by any acts which may be unlawful or in violation of any of the Collateral Documents or this Indenture, and such suits and proceedings as the Trustee may determine to preserve or protect their interests and the interests of the Holders in the Collateral. Nothing in this Section 12.03 shall be considered to impose any such duty or obligation to act on the part of the Trustee or ~~the~~any Collateral Trustee.

Section 12.04 *Authorization of Receipt of Funds by the Trustee Under the Collateral Documents*.

Subject to any Collateral Trust Agreement and any Applicable Intercreditor Agreement, the Trustee (and the Principal Paying Agent on behalf of the Trustee) is authorized to receive any funds for the benefit of the Holders distributed under the Collateral Documents, and to make further distributions of such funds to the Holders according to the provisions of this Indenture.

Section 12.05 *Purchaser Protected*.

In no event shall any purchaser in good faith of any property purported to be released hereunder be bound to ascertain the authority of ~~the~~any Collateral Trustee or the Trustee to execute the release or to inquire as to the satisfaction of any conditions required by the provisions hereof for the exercise of such authority or to see to the application of any consideration given by such purchaser or other transferee; nor shall any purchaser or other transferee of any property or rights permitted by this Article 12 to be sold be under any obligation to ascertain or inquire into the authority of the Company or the applicable Guarantor to make any such sale or other transfer.

Section 12.06 *Powers Exercisable by Receiver or Trustee*.

In case the Collateral shall be in the lawful possession of a receiver or trustee, lawfully appointed, the powers conferred in this Article 12 upon the Company or a Guarantor with respect to the release, sale or other disposition of such property may be exercised by such receiver or trustee, and an instrument signed by such receiver or trustee shall be deemed the equivalent of any similar instrument of the Company or a Guarantor or of any Officer or Officers thereof required by the provisions of this Article 12; and if the Trustee or ~~the~~any Collateral Trustee shall be in the possession of the Collateral under any provision of this Indenture, then such powers may be exercised by the Trustee or the applicable Collateral Trustee.

Section 12.07 *Collateral Trustees*.

(a) Each of the Holders, by acceptance of the ~~Tranche A-1 Exit~~Exchange Notes, and the Company hereby designates and appoints ~~the~~each Collateral Trustee as its agent under this Indenture, the applicable Collateral Documents and ~~any~~the applicable Collateral Trust Agreement and each of the Holders by acceptance of the ~~Tranche A-1 Exit~~Exchange Notes hereby irrevocably authorizes ~~the~~each Collateral Trustee to take such action on its behalf under the provisions of this Indenture, the applicable Collateral Documents and ~~any~~the applicable Collateral Trust Agreement and to exercise such powers and perform such duties as are expressly delegated to ~~the~~such Collateral Trustee by the terms of this Indenture, the applicable Collateral Documents and ~~any~~the applicable Collateral Trust Agreement, and consents and agrees to the terms of ~~any~~each Collateral Trust Agreement and each Collateral Document, as the same may be in effect or may be amended, restated, supplemented or otherwise modified from time to time in accordance with their respective terms. ~~The~~Each Collateral Trustee agrees to act as such on the express conditions contained in this Section 12.07. The provisions of this Section 12.07 are solely for the benefit of the Collateral Trustees, and none of the Trustee, any of the Holders, the Company nor any of the Guarantors shall have any rights as a third party beneficiary of any of the provisions contained in this Section 12.07 other than as expressly provided in Section 12.03.

(b) Each Holder agrees that any action taken by the Collateral Trustee in accordance with the provision of this Indenture, ~~any~~the applicable Collateral Trust Agreement and the applicable Collateral Documents, and the exercise by ~~the~~any Collateral Trustee of any rights or remedies set forth herein and therein shall be authorized and binding upon all Holders. Notwithstanding any provision to the contrary contained elsewhere in this Indenture, the Security Debt Documents and any Collateral Trust Agreement, the duties of the Collateral Trustees shall be ministerial and administrative in nature, and the Collateral Trustees shall not have any duties or responsibilities, except those expressly set forth herein and in the Security Debt Documents to which the Collateral Trustee is a party, nor shall the Collateral Trustees have or be deemed to have any trust or other fiduciary relationship with the Trustee, any Holder, the Company or any Guarantor, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Indenture, the Security Debt Documents and any Collateral Trust Agreement or otherwise exist against the Collateral Trustees. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Indenture with reference to the Collateral Trustees is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. Each Collateral Trustee may perform any of its duties under this Indenture, the Collateral Documents ~~or any~~to which it is a party or the Collateral Trust Agreement to which it is a party by or through receivers, agents, employees, attorneys-in-fact or with respect to any specified Person, such Person's Affiliates, and the respective officers, directors, employees, agents, advisors and attorneys-in-fact of such Person and its Affiliates, (each, a "Related Person") and shall be entitled to advice of counsel concerning all matters pertaining to such duties, and shall be entitled to act upon, and shall be fully protected in taking action in reliance upon any advice or opinion given by legal counsel. ~~The~~No Collateral Trustee shall ~~not~~ be responsible for the negligence or willful misconduct of any receiver, agent, employee, attorney-in-fact or Related Person that it selects as long as such selection was made with due care.

(c) Neither ~~the~~any Collateral Trustee nor any of its respective Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Indenture or the transactions contemplated hereby (except for its own gross negligence or willful misconduct) or under or in connection with any Collateral Document to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party or the transactions contemplated thereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to either of the Trustee or any Holder for any recital, statement, representation, warranty, covenant or agreement made by the Company or any Guarantor or Affiliate of any Guarantor, or any Officer or Related Person thereof, contained in this Indenture, any Collateral Document to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party, or in any certificate, report, statement or other document referred to or provided for in, or received by ~~the~~such Collateral Trustee under or in connection with, this Indenture, the Collateral Documents to which such Collateral Trustee is a party or any Collateral Trust Agreement~~,~~ to which such Collateral Trustee is a party, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Indenture, the Collateral Documents or any Collateral Trust Agreement, or for any failure of the Company or any Guarantor or any other party to this Indenture, the Collateral Documents or any Collateral Trust Agreement to perform its obligations hereunder or thereunder. ~~Neither the~~No Collateral Trustee nor any of its

respective Related Persons shall be under any obligation to the Trustee or any Holder to ascertain or to inquire as to the existence of any Default or Event of Default, the observance or performance of any of the agreements contained in, or conditions of, this Indenture, the Collateral Documents to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party or to inspect the properties, books, or records of the Company, any Guarantor or any Guarantor's Affiliates.

(d) ~~The~~Each Collateral Trustee shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, certification, telephone message, statement, or other communication, document or conversation (including those by telephone or e-mail) believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including, without limitation, counsel to the Company or any Guarantor), independent accountants and other experts and advisors selected by ~~the~~such Collateral Trustee. ~~The~~No Collateral Trustee shall ~~not~~ be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document. Except as required by ~~any~~the applicable Collateral Trust Agreement~~, the~~ or any other Collateral Document to which such Collateral Trustee is a party, each Collateral Trustee shall be fully justified in failing or refusing to take any action under this Indenture, the Collateral Documents to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party unless it shall first receive such advice or concurrence of the Trustee or the Required Holders as it determines and, if it so requests, it shall first be indemnified to its satisfaction by the Holders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Except as required by any Collateral Trust Agreement~~, the~~ to which such Collateral Trustee is a party or any other Collateral Document to which such Collateral Trustee is a party, each Collateral Trustee shall in all cases be fully protected in acting, or in refraining from acting, under this Indenture, the Collateral Documents to which such Collateral Trustee is a party or any Collateral Trust Agreement to which such Collateral Trustee is a party in accordance with a request, direction, instruction or consent of the Trustee or the Required Holders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Holders.

(e) ~~The~~No Collateral Trustee shall ~~not~~ be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, unless a Responsible Officer of ~~the~~such Collateral Trustee shall have received written notice from the Trustee or the Company referring to this Indenture, describing such Default or Event of Default and stating that such notice is a "notice of default". Subject to the provisions of the Collateral Documents and any Collateral Trust Agreement~~, the~~ to which such Collateral Trustee is a party, such Collateral Trustee shall take such action with respect to such Default or Event of Default as may be requested by the Trustee in accordance with Article 7 or the Required Holders (subject to this Section 12.07).

(f) ~~A~~Each Collateral Trustee may resign at any time by giving thirty days' written notice to the Trustee, the Company and the Holders, such resignation to be effective upon the acceptance of a successor agent to its appointment as Collateral Trustee. If ~~the~~each Collateral Trustee resigns under this Indenture, the Company shall appoint a successor collateral trustee; *provided* that at any time while an Event of Default has occurred and is continuing, such

appointment shall be made by the Required Holders. If no successor collateral trustee is appointed prior to the intended effective date of the resignation of ~~the~~such Collateral Trustee (as stated in the notice of resignation), ~~the~~such Collateral Trustee may (or at the written direction of the Required Holders, the applicable Collateral Trustee shall), or the Company (so long as there is not a continuing Event of Default) or the Required Holders may, appoint, subject to the consent of the Company (which consent shall not be unreasonably withheld and which consent shall not be required during a continuing Event of Default), a successor collateral trustee. If no successor collateral trustee is appointed and consented to by the Company (if such consent is required) pursuant to the preceding sentence within thirty (30) days after the intended effective date of resignation (as stated in the notice of resignation), the Trustee, the Required Holders, or the resigning Collateral Trustee shall be entitled to petition a court of competent jurisdiction, at the sole expense of the Company, to appoint a successor. In addition, the Required Holders may remove ~~the~~each Collateral Trustee by so notifying the Trustee, the Issuer and ~~the~~each Collateral Trustee in writing, which removal shall become effective upon the appointment of a successor collateral trustee by the Required Holders (which successor collateral trustee shall be subject to the consent of the Company, which consent shall not be unreasonably withheld and which consent shall not be required during a continuing Event of Default). Upon the acceptance of its appointment as successor collateral trustee hereunder, such successor collateral trustee shall succeed to all the rights, powers and duties of the retiring or removed Collateral Trustee, and the term "Collateral Trustee" shall mean such successor collateral trustee, and the retiring or removed Collateral Trustee's appointment, powers and duties as the Collateral Trustee shall be terminated. After a retiring Collateral Trustee's resignation or removal hereunder, the provisions of this Section 12.07 (and Section 7.07) shall continue to inure to its benefit and such retiring or removed Collateral Trustee shall not by reason of such resignation or removal be deemed to be released from liability as to any actions taken or omitted to be taken by it while it was ~~the~~each Collateral Trustee under this Indenture.

(g) Except as otherwise explicitly provided herein or in the Collateral Documents or any Collateral Trust Agreement, ~~neither the~~no Collateral Trustee nor any of its officers, directors, employees or agents or other Related Persons shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. ~~The~~Each Collateral Trustee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and ~~neither the~~no Collateral Trustee nor any of its officers, directors, employees or agents shall be responsible for any act or failure to act hereunder, except for its own gross negligence or willful misconduct. ~~The~~No Collateral Trustee shall ~~not~~ be responsible for any misconduct or negligence on the part of any co-Collateral Trustee, agent, attorney, custodian or nominee appointed with due care by it hereunder. ~~The~~No Collateral Trustee shall ~~not~~ incur any liability as a result of the sale (whether public or private) of the Collateral or any part thereof at any sale pursuant to this Indenture or any Collateral Document to which it is a party conducted in a commercially reasonable manner. Each of the Company, each Guarantor, and the Holders (by each of their acceptance of the Notes) hereby waives any claims against ~~the~~any Collateral Trustee arising by reason of the fact that the price at which the Collateral may have been sold at such sale (whether public or private) was less than the price that might have been obtained otherwise, even if ~~the~~such Collateral Trustee accepts the first officer received and does not offer the Collateral to

more than one offeree, so long as such sale is conducted in a commercially reasonable manner. Each of the Company, each Guarantor, and the Holders (by each their acceptance of the Notes) hereby agrees that in respect of any sale of any of the Collateral pursuant to the terms hereof, ~~the~~each Collateral Trustee is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable laws, or in order to obtain any required approval of the sale or of the purchaser by any governmental authority or official, and Company further agrees that such compliance shall not, in and of itself, result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall ~~the~~any Collateral Trustee be liable or accountable to the Holder for any discount allowed by reason of the fact that the Collateral or any part thereof is sold in compliance with any such limitation or restriction.

(h) ~~The~~Each Collateral Trustee and the Trustee, as applicable, are authorized and directed by the Company and the Holders (by acceptance of the ~~Tranche A-1 Exit~~Exchange Notes) to (i) enter into the Trust Mandates and the Collateral Documents to which they are a party, whether executed before, on or after the Issue Date, (ii) enter into ~~any~~each applicable Collateral Trust Agreement, (iii) make the representations of the Holders set forth in the applicable Collateral Documents and any Collateral Trust Agreement, (iv) bind the Holders on the terms as set forth in the Collateral Documents and any applicable Collateral Trust Agreement and (v) perform and observe its obligations under the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party; *provided* that the Trustee, as such and in its capacity as the Collateral Trustee under the Collateral Documents, shall not take any action under the Collateral Documents except at the written direction of the Holders of the applicable percentage of Outstanding ~~Tranche A-1 Exit~~Exchange Notes or pursuant to a Company Order and Opinion of Counsel, in each case, to the extent permitted by the terms of this Indenture.

(i) If at any time or times the Trustee or the Paying Agent shall receive (i) by payment, foreclosure, realization, set-off or otherwise, any proceeds of Collateral or any payments with respect to the obligations arising under, or relating to, this Indenture, except for any such proceeds or payments received by the Trustee or the Paying Agent from ~~the~~each Collateral Trustee pursuant to the terms of this Indenture, or (ii) payments from ~~the~~each Collateral Trustee in excess of the amount required to be paid to the Trustee or the Paying Agent pursuant to Article 7, the Trustee or the Paying Agent shall promptly turn the same over to the applicable Collateral Trustee, in kind, and with such endorsements as may be required to negotiate the same to ~~the~~such Collateral Trustee such proceeds to be applied by ~~the~~such Collateral Trustee pursuant to the terms of this Indenture, the applicable Collateral Documents and any applicable Collateral Trust Agreement.

(j) Should the Trustee obtain possession of any Collateral, upon request from the Company, the Trustee shall notify the applicable Collateral Trustee thereof and promptly shall deliver such Collateral to ~~the~~such Collateral Trustee or otherwise deal with such Collateral in accordance with the applicable Collateral Trustee's instructions.

(k) ~~The~~No Collateral Trustee shall have ~~no~~any obligation whatsoever to the Trustee or any of the Holders to assure that the Collateral exists or is owned by the Company or any Guarantor or is cared for, protected, or insured or has been encumbered, or that ~~the~~such Collateral Trustee's Liens have been properly or sufficiently or lawfully created, perfected, protected, maintained or enforced or are entitled to any particular priority, or to determine whether

all or any of the Company's or the Guarantor's property constituting Collateral intended to be subject to the Lien and security interest of the Collateral Documents has been properly and completely listed or delivered, as the case may be, or the genuineness, validity, marketability or sufficiency thereof or title thereto, or to exercise at all or in any particular manner or under any duty of care, disclosure, or fidelity, or to continue exercising, any of the rights, authorities, and powers granted or available to ~~the~~such Collateral Trustee pursuant to this Indenture, any Collateral Document to which it is a party or any Collateral Trust Agreement to which it is a party other than pursuant to the instructions of the Trustee or the Required Holders or as otherwise provided in the Collateral Documents to which it is a party or any Collateral Trust Agreement to which it is a party, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, ~~the~~such Collateral Trustee shall have no other duty or liability whatsoever to the Trustee or any Holder as to any of the foregoing.

(l) If the Company or any Guarantor (i) incurs or designates any obligations in respect of Additional Secured Debt Facilities at any time when no Collateral Trust Agreement is in effect and (ii) delivers to the applicable Collateral Trustee an Officers' Certificate so stating and authorizing and directing ~~the~~such Collateral Trustee to enter into a Collateral Trust Agreement in favor of a designated agent or representative for the holders of the Additional Secured Debt Facility so incurred, ~~the~~such Collateral Trustee shall (and is hereby authorized and directed to) enter into such Collateral Trust Agreement (at the sole expense and cost of the Company, including legal fees and expenses of ~~the~~such Collateral Trustee), bind the Holders on the terms set forth therein and perform and observe its obligations thereunder.

(m) No provision of this Indenture, any Collateral Trust Agreement or any Collateral Document shall require ~~the~~any Collateral Trustee (or the Trustee) to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or thereunder or to take or omit to take any action hereunder or thereunder or take any action at the request or direction of Holders (or the Trustee in the case of a Collateral Trustee) if it shall not have received indemnity satisfactory to ~~the~~such Collateral Trustee against potential costs and liabilities incurred by ~~the~~such Collateral Trustee relating thereto. Notwithstanding anything to the contrary contained in this Indenture, any Collateral Trust Agreement or the Collateral Documents, in the event ~~the~~such Collateral Trustee is entitled or required to commence an action to foreclose or otherwise exercise its remedies to acquire control or possession of the Collateral, ~~the~~such Collateral Trustee shall not be required to commence any such action or exercise any remedy or to inspect or conduct any studies of any property under the mortgages or take any such other action if ~~the~~such Collateral Trustee has determined that ~~the Collateral Trustee~~it may incur personal liability as a result of the presence at, or release on or from, the Collateral or such property, of any hazardous substances unless ~~the~~such Collateral Trustee has received security or indemnity from the Company or the Holders in an amount and in a form satisfactory to ~~the~~such Collateral Trustee in its sole discretion, protecting ~~the~~such Collateral Trustee from all such liability. ~~The~~Each Collateral Trustee shall at any time be entitled to cease taking any action described in this paragraph (m) if it no longer reasonably deems any indemnity, security or undertaking from the Company or the Holders to be sufficient.

(n) ~~The~~Each Collateral Trustee may consult with counsel of its selection and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it in good faith

and in accordance with the advice or opinion of such counsel. The grant of permissive rights or powers to ~~the~~such Collateral Trustee shall not be construed to impose duties to act.

(o) Neither ~~the~~any Collateral Trustee nor the Trustee shall be liable for delays or failures in performance resulting from acts beyond its control. Such acts shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, pandemics, epidemics, disease, governmental regulations superimposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters. Neither ~~the~~any Collateral Trustee nor the Trustee shall be liable for any indirect, special, punitive, incidental or consequential damages (included but not limited to lost profits) whatsoever, even if it has been informed of the likelihood thereof and regardless of the form of action.

(p) ~~The~~No Collateral Trustee ~~does not~~ assumes any responsibility for any failure or delay in performance or any breach by the Company or any Guarantor under this Indenture, any Collateral Trust Agreement and the Collateral Documents. ~~The~~No Collateral Trustee shall ~~not~~ be responsible to the Holders or any other Person for any recitals, statements, information, representations or warranties contained in this Indenture, any Collateral Document or any Collateral Trust Agreement or in any certificate, report, statement, or other document referred to or provided for in, or received by ~~the~~such Collateral Trustee under or in connection with, this Indenture, any Collateral Trust Agreement to which it is a party or any Collateral Document to which it is a party; the execution, validity, genuineness, effectiveness or enforceability of any Collateral Trust Agreement to which it is a party and any Collateral Documents to which it is a party of any other party thereto; the genuineness, enforceability, collectability, value, sufficiency, location or existence of any Collateral, or the validity, effectiveness, enforceability, sufficiency, extent, perfection or priority of any Lien there-in; the validity, enforceability or collectability of any Obligations; the assets, liabilities, financial condition, results of operations, business, creditworthiness or legal status of any obligor; or for any failure of any obligor to perform its obligations under this Indenture, any Collateral Trust Agreement to which it is a party and the Collateral Documents~~. The~~ to which it is a party. No Collateral Trustee shall ~~not~~ be required to initiate or conduct any litigation or collection or other proceeding under this Indenture, any Collateral Trust Agreement and the Collateral Documents unless expressly set forth hereunder or thereunder. ~~The~~Each Collateral Trustee shall have the right at any time to seek instructions from the Holders with respect to the administration of this Indenture, any Collateral Document to which it is a party or any Collateral Trust Agreement to which it is a party.

(q) The parties hereto and the Holders hereby agree and acknowledge that ~~the~~no Collateral Trustee shall ~~not~~ assume, be responsible for or otherwise be obligated for any liabilities, claims, causes of action, suits, losses, allegations, requests, demands, penalties, fines, settlements, damages (including foreseeable and unforeseeable), judgments, expenses and costs (including but not limited to, any remediation, corrective action, response, removal or remedial action, or investigation, operations and maintenance or monitoring costs, for personal injury or property damages, real or personal) of any kind whatsoever, pursuant to any environmental law as a result of this Indenture, any Collateral Trust Agreement, the Collateral Documents or any actions taken pursuant hereto or thereto. Further, the parties hereto and the Holders hereby agree and acknowledge that in the exercise of its rights under this Indenture, any Collateral Trust Agreement and the Collateral Documents, the Collateral Trustees may hold or obtain indicia of ownership primarily to protect the security interest of ~~the~~such Collateral Trustee in the Collateral and that any

such actions taken by ~~the~~such Collateral Trustee shall not be construed as or otherwise constitute any participation in the management of such Collateral.

(r) Upon the receipt by ~~the~~each Collateral Trustee of a written request of the Company signed by one Officer of the Company (a "Collateral Document Order"), such Collateral Trustee is hereby authorized and directed to execute and enter into, and shall execute and enter into, without the further consent of any Holder or the Trustee, any Collateral Document (in form and substance reasonably satisfactory to the Collateral Trustee) to be executed after the Issue Date. Such Collateral Document Order shall (i) state that it is being delivered to the Collateral Trustee pursuant to, and is a Collateral Document Order referred to in, this Section 12.07(r), and (ii) instruct ~~the~~such Collateral Trustee to execute and enter into such Collateral Document. Any such execution of a Collateral Document shall be at the direction and expense of the Company, upon delivery to ~~the~~each Collateral Trustee of an Officers' Certificate and Opinion of Counsel stating that all conditions precedent to the execution and delivery of the Collateral Document have been satisfied. The Holders, by their acceptance of the ~~Tranche A-1 Exit~~Exchange Notes, hereby authorize and direct ~~the~~each Collateral Trustee to execute such Collateral Documents.

(s) Subject to the provisions of the applicable Collateral Documents and any Collateral Trust Agreement, each Holder, by acceptance of the ~~Tranche A-1 Exit~~Exchange Notes, agrees that the Collateral Trustees shall execute and deliver any Collateral Trust Agreement and the Collateral Documents to which it is a party (or joinders thereto) and all agreements, documents and instruments incidental thereto, and act in accordance with the terms thereof. For the avoidance of doubt, ~~the~~no Collateral Trustee shall have ~~no~~ discretion under this Indenture, any Collateral Trust Agreement or the Collateral Documents and shall not be required to make or give any determination, consent, approval, request or direction, or exercise any discretionary power, except discretionary rights and powers expressly contemplated hereby or by the Collateral Documents, without the written direction of the Company, the Trustee, or the Required Holders, as applicable. ~~The~~Each Collateral Trustee shall be entitled to refrain from any act or the taking of any action hereunder or under any of the Collateral Documents to which it is a party or from the exercise of any power or authority vested in it hereunder or thereunder unless and until ~~the~~such Collateral Trustee shall have received instructions from the Required Holders or the Trustee, as applicable, and if ~~the~~such Collateral Trustee deems necessary, satisfactory indemnity, and shall not be liable for any such delay in acting. ~~The~~No Collateral Trustee shall ~~not~~ be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Trustee to liability or that is contrary to this Indenture or any Collateral Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any bankruptcy or insolvency law. For purposes of clarity, phrases such as "satisfactory to", "approved by", "acceptable to", "as determined by", "in the discretion of", "selected by", "requested by" the Collateral Trustee and phrases of similar import authorize and permit ~~the~~each Collateral Trustee to approve, disapprove, determine, act or decline to act in its reasonable discretion.

(t) After the occurrence of an Event of Default, the Trustee may direct the Collateral Trustees in connection with any action required or permitted by this Indenture, the Collateral Documents or any Collateral Trust Agreement.

(u) ~~The~~Each Collateral Trustee is authorized to receive any funds for the benefit of itself, the Trustee and the Holders distributed under the Collateral Documents or any Collateral

Trust Agreement to which it is a party and to the extent not prohibited under any Collateral Trust Agreement to which it is a party, for turnover to the Paying Agent to make further distributions of such funds to itself, the Trustee and the Holders in accordance with the provisions of Section 6.06 hereof and the other provisions of this Indenture.

(v) [reserved].

(w) Notwithstanding anything to the contrary in this Indenture, any Collateral Trust Agreement or any Collateral Document, in no event shall ~~the~~any Collateral Trustee nor the Trustee be responsible for, or have any duty or obligation with respect to, the recording, filing, re-recording, re-filing, registering, perfection, protection or maintenance of the security interests, financial statement, perfection statement, continuation statement or other statement, or Liens intended to be created by this Indenture or the Collateral Documents in any public office or for otherwise ensuring the perfection or maintenance of any security interest granted pursuant to this Indenture or the Collateral Documents, neither shall ~~the~~any Collateral Trustee nor the Trustee be responsible for, and neither ~~the~~any Collateral Trustee nor the Trustee make any representation regarding, the validity, effectiveness or priority of any of the Collateral Documents or the security interests or Liens intended to be created thereby.

(x) Before ~~the~~each Collateral Trustee acts or refrains from acting in each case at the request or direction of the Company or the Guarantors, it may require an Officers' Certificate and an Opinion of Counsel, which shall conform to the provisions of Section 11.03. ~~The~~Each Collateral Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

(y) The Company shall pay compensation to, reimburse expenses of and indemnify the Collateral Trustee in accordance with Section 7.07.

Section 12.08 *Additional Secured Debt Facilities*.

For purposes of the provisions hereof and any Collateral Trust Agreement requiring the Company to designate Indebtedness for the purposes of the term "Additional Secured Debt Facility" or any other such designations hereunder or under any Collateral Trust Agreement, any such designation shall be sufficient if the requirements of ~~Section 2(b) of~~ the applicable Collateral Trust Agreement are satisfied.

Section 12.09 *Co-Collateral Trustee*. If at any time or times it shall be necessary in order to conform to any law of any jurisdiction in which any of the Collateral shall be located, or the Required Holders so request, the Trustee and the Company shall execute and deliver all instruments and agreements necessary or proper to constitute another bank or trust company, or one or more persons approved by such Collateral Trustee, the Company and the Trustee, either to act as co-Collateral Trustee or co-Collateral Trustee of all or any of the Collateral, jointly with the Collateral Trustee originally named herein or any successor or successors, or to act as separate collateral trustee or collateral trustees any such property. In case an Event of Default shall have occurred and be continuing, the applicable Collateral Trustee may act under the foregoing provisions of this Article 12 without the concurrent consent of the Holders, and the Holders, by acceptance of the ~~Tranche A-1 Exit~~Exchange Notes, hereby appoint the applicable co- Collateral

Trustee as its trustee and attorney to act under the foregoing provisions of this Section 12.09 in such case. This appointment of any co-Collateral Trustee pursuant to this Section 12.09 shall be subject to any applicable Collateral Trust Agreement.

Section 12.10 *Limitation of Liability of the Collateral Trustees*.

~~The~~Each Collateral Trustee is entering into this Indenture and the Collateral Documents not in its individual capacity but solely in its capacity as Collateral Trustee under this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party and in entering into such documents and acting hereunder and thereunder. Notwithstanding anything to the contrary contained herein or in any Collateral Document to which it is a party or Collateral Trust Agreement~~, the~~ to which it is a party, each Collateral Trustee shall be entitled to all the rights, protections, indemnifications and immunities granted to the Collateral Trustees under this Indenture. The permissive authorizations, entitlements, powers and rights granted to the Collateral Trustees ~~s~~ shall not be construed as duties. Any exercise of discretion on behalf of ~~the~~any Collateral Trustee shall be exercised in accordance with the terms of this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party. Notwithstanding anything to the contrary contained herein or in any Collateral Document or Collateral Trust Agreement, and for the avoidance of doubt, any obligations of ~~the~~any Collateral Trustee to indemnify, compensate or reimburse the any party under the terms of this Indenture, the Collateral Documents and any Collateral Trust Agreement, shall be (i) an obligation of the applicable Collateral Trustee solely in its capacity as Collateral Trustee under this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party; (ii) limited solely to the funds available to it under this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party at any point in time; (iii) limited solely to the scope of ~~the~~such Collateral Trustee's direction to a party to this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party; and (iv) not applicable in the event of gross negligence or intentional misconduct of the applicable party to this Indenture, the Collateral Documents to which it is a party and any Collateral Trust Agreement to which it is a party.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first written above.

ANNEX A — MBA AVIATION APPRAISAL REPORT OF AVIANCA CARGO FREIGHTER BUSINESS

[Attached]

Valuation of:
Avianca Cargo

Client:
Avianca Group International Limited

Date:
January 13, 2025

Headquarters:

2101 Wilson Boulevard
Suite 1001
Arlington, Virginia 22201
USA
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Email: mba@mba.aero

Americas | Europe | Asia

ISTAT CVA

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I. VALUATION SUMMARY

CLIENT / COMPANY	Avianca Group International Limited
SUBJECT ENTITY	Avianca Cargo Freighter Business
PURPOSE OF VALUATION	Consideration for Financing Agreement
STANDARD OF VALUE	Owner's Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	January 2, 2025
VALUATION APPROACHES	Income Approach, Market Approach
VALUATION METHODS	Discounted Cash Flow, Guideline Public Companies, Precedent Transaction
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	US$829,116,000

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation (mba) was engaged by Avianca Group International Limited (herein referred to as Avianca, the "Client," or the "Company") to estimate the value of the of the Company's cargo enterprise, Avianca Cargo ("the "Subject Entity") as of January 2, 2025 (the "Valuation Date"). mba understands the Conclusion of Value will be for the Subject Entity's Enterprise Value.

It is understood by mba that the Conclusion of Value may be used by the Client in connection with potential financial agreement. mba understands that this report may be provided to agents, lenders, noteholders, and other parties in connection with such financial agreement. This Valuation Report was prepared solely for the purpose described in this paragraph and, accordingly, should not be used for any other purpose. This Report should not be distributed to any party other than the Client or the agents, lenders, noteholders, and other parties in connection with any such transaction without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Entity as of the Valuation Date. For the purpose of this valuation, historical financials and other information covering the results of the Subject Entity's operations were used, including estimates provided by the Subject Entity for operations through the Valuation Date. It is mba's understanding that this information represents the most complete and reliable financial information available as of the Valuation Date. In this valuation, mba considered only circumstances that existed as of, and events that occurred up to, the Valuation Date. However, events occurring after the Valuation Date but before the date of this report (i.e., subsequent events) were taken into account to the extent that they were indicative of conditions that were known or knowable as of the Valuation Date.

Standard & Premise of Value

Two important concepts mba considered before beginning this engagement were the applicable Standard of Value and Premise of Value. Standard of Value deals with the definition of value or the type of value being proffered. Numerous Standards of Value exist and may be applicable for a particular valuation, depending on the purpose of that engagement. For this valuation, the applicable Standard of Value is Owner's Value. Owner's Value deals with the value of the asset to the current owner, given the owner's current use of the asset.

Premise of Value deals with the "how" in a transaction. The valuation premise may be either in-use or in-exchange, with the determining factor being the highest and best use. In this case, the Conclusion of Value is based on an in-use valuation premise of Going Concern, which assumes that the Subject Entity will continue to be operated into the future by the Client.

Scope of the Valuation Engagement

In *Revenue Ruling 59-60*, the IRS set forth the following factors to consider in the valuation of a closely held business. mba has considered each of these factors in this valuation.

- The nature of the business and the history of the enterprise from its inception;
- The economic outlook in general and the condition and outlook of the specific industry in particular;
- The financial condition of the business;
- The earning capacity of the business;
- The dividend-paying capacity; and
- Whether or not the enterprise has goodwill or other intangible value.

mba's scope of work included but was not necessarily limited to the following:

- Discussions with management concerning the assets, financial and operating history, and forecasted future operations of the Subject Entity;
- Analysis of historical financial statements and other financial and operational data concerning the Subject Entity;
- Research concerning the Subject Entity, its financial and operating history, the nature of its products, services, and technologies, and its competitive position in the marketplace;
- Research and analysis concerning comparable public companies and transactions involving comparable companies;
- Research and analysis on the industry segment in which the Subject Entity operates;
- Research and analysis on current economic conditions and the outlook for the relevant economies; and
- Analysis and estimation of the value of the Subject Entity as of the Valuation Date.

Sources of Information

The principal sources of information utilized in conducting this analysis were as follows:

- Interviews with Subject Entity;
- Internal financial statements for the Client from September 2021 through September 30, 2024;
- Forecasted financial statements prepared by the Subject Entity;
- OAG Schedules Data;
- Subject Entity Presentation;
- Subject Entity's website and press releases;
- Statistics, studies, forecasts, and articles regarding the industry in which the Subject Entity operates and the economic environment;
- mba's internal data and values for the assets held by the Subject Entity; and
- Other industry news sources and internet research.

Financial and other pertinent information provided to mba by the Subject Entity has been accepted without further verification. mba did not audit, review, compile, or attest under the AICPA Statements on Standards for Attestation Engagements (SSAEs) to any financial information derived from those sources, and mba, therefore, assumes no responsibility for any such financial information.

Refer to Section XI for a complete list of Assumptions & Limiting Conditions applicable to this Valuation Report. Certain specific assumptions and limiting conditions may be cited in the body of this report.

III. SUBJECT ENTITY OVERVIEW

Nature, Background & History[1]

AGIL's Cargo Business Unit, Avianca Cargo, is a leader in the air cargo industry within several markets across the Americas, transporting perishables, textiles, pharmaceuticals, technology and more. Avianca Cargo, with a cargo fleet of six Airbus 330 freighter, three Airbus 300 freighter, two Boeing 767 freighter aircraft and belly operation in more than 100 passenger aircraft, operates within more than 50 destinations. Avianca Cargo transported more than 450,000 tons of cargo in 2022 and is the number one cargo airline, based on volume, of cargo transported currently operating from El Dorado International Airport (Bogota, Colombia) and one of the most relevant air cargo carriers at Miami International Airport (Miami, United States).

Cargo flows are unidirectional. This characteristic is a key determinant in the structure of cargo operations and especially relevant in markets featuring structural imbalances between inbound and outbound flows or during specific periods of disequilibrium. Lack of demand in one particular direction may force reliance on different markets in order to maximize loads on return flights. In recent years, Avianca Cargo has successfully diversified its cargo business origins and destinations, creating a larger network that permits decreasing regional dependence and maximizing asset utilization.

In 2023, total cargo capacity[2] in terms of ATKs increased by 6.8% and RTKs increased by 1.8% as compared to 2022, resulting in a 3.0 percentage point decrease in the cargo load factor in 2023. According to IATA, the expected load factor in 2024 is 45.1%.

DOM + INTL CARGO OPERATING STATISTICS	2021	2022	2023	11M2024
ATKS (MILLIONS)	1,976	2,462	2,631	2,390
RTKS (MILLIONS)	1,401	1,574	1,602	1,514
YIELD (REVENUE / RTKS, IN US$)		0.58	0.42	-
LOAD FACTOR	70.9%	63.9%	60.9%	63.3%

[1] Avianca's Website, Quarterly and Annual Presentations.
[2] Capacity includes freight and bellies.

Management Team

As of the Valuation Date, Avianca Cargo had a management team in place who collectively possessed a significant amount of expertise within the aviation industry and which mba believes is well qualified to achieve strategic and financial goals. A description of the management team is presented below:

	SUBJECT ENTITY MANAGEMENT
GABRIEL OLIVA CHIEF OPERATING OFFICER AND CARGO CEO	Gabriel Oliva was appointed Chief Operating Officer and Cargo CEO in September 2023. In his role, he leads the company's operations and service delivery areas and the ongoing transformation of the cargo business. He joined the Avianca Cargo team as CEO in August 2021. His extensive experience has proven to be crucial in reinventing the business unit to position it as a strong player in Latin America. Mr. Oliva has more than 20 years of relevant leadership experience, with the last 11 years spent within the cargo industry. In his most recent role before joining Avianca, he held the position of Senior Vice President for the North America, Europe, and Asia-Pacific regions at LATAM Airlines Cargo. Mr. Oliva had previously worked at the Boston Consulting Group and Siemens. He held a degree in Industrial Engineering from the Instituto Tecnológico de Buenos Aires in Argentina and held an MBA from Harvard Business School.
DIOGO ELIAS SENIOR VICE PRESIDENT OF AVIANCA CARGO	Diogo Elias is the Senior Vice President of Avianca Cargo, a position he has held since 2023. He brings over 20 years of experience across various industries, including aviation, technology, retail, logistics, proptech, and financial services. Diogo holds an MBA with an emphasis in Strategy and General Management from the University of Michigan and a Master of Science in Business with a focus on Operational Management and Statistical Modeling from the University of São Paulo.

Corporate Structure & Ownership

As of the Valuation Date, Avianca Cargo was a wholly owned subsidiary of Avianca Group. Avianca Cargo is comprised of the acquisition of strategic cargo airlines. In 2008, Avianca acquired Tampa Cargo. During 2014, Avianca acquired an ownership interest consisting of 25.0% of the voting rights and 92.7% of the economic rights of Aero Transporte de Carga Unión, S.A. de C.V., or Aerounion, a Mexican cargo company.[3]

[3] Avianca's FY 2023 Financial Statements, Management Input.

Services & Customers

The Subject Entity offers a wide range of cargo products, from general cargo to those products requiring special care due to their life cycle, nature, handling, or priority. Among these products are: live animals, hazardous cargo, human remains, perishable goods, and more. They offer this service for shipments transported from airport to airport, using efficient routing based out of strategic hubs covering the region. Avianca Cargo's main cargo network hubs are located at El Dorado Airport in Bogotá and at Miami's international airport, with several additional secondary hubs strategically positioned to cater to Avianca Cargo's specialization in perishables, time-sensitive shipments, and high-value goods.

Competition

Cargo operations in Latin America are highly competitive, with numerous airlines and logistics companies vying for market share. Its growth is critical to sustaining the region's position as a global economic powerhouse, making continued investment in logistics infrastructure and technology essential. This has resulted in a variety of logistics providers, featuring multinational corporations, regional giants, and local players.

Global and Regional Giants

- DHL Aviation: Global logistics powerhouse with a robust presence in Latin America. Competes heavily in e-commerce and express cargo sectors.
- FedEx: Offers extensive cargo routes across Latin America, with a focus on express delivery and time-sensitive shipments. Strong last-mile delivery infrastructure.
- UPS: Focuses on express and time-sensitive cargo. Operates key routes between North America and Latin America, catering to the growing demand for e-commerce.
- Cargolux: Specializes in heavy freight and operates in key Latin American markets, including Brazil, Colombia, and Ecuador.
- Atlas Air and Polar Air Cargo: Provide freighter capacity for large-scale cargo and logistics operations. Strong in charter and long-haul routes.

Latin America–Based Providers

- LATAM Cargo (Chile): The largest air cargo operator in Latin America. Extensive network across South America, North America, Europe, and Asia. Specializes in perishables, pharmaceuticals, and e-commerce. Strong in flower exports, directly competing with carriers like Avianca Cargo.
- Avianca Cargo (Colombia): A leader in Latin American cargo, with a focus on perishables and high-value goods. Competitors include LATAM Cargo and Copa Airlines Cargo within the region.
- Copa Airlines Cargo (Panama): Uses Panama's Tocumen International Airport as a hub for connecting Latin America with North America and Europe. Strong regional connectivity with efficient transshipment capabilities.
- Mas Air Cargo (Mexico): A dedicated cargo carrier with a focus on routes to North America, Europe, and Asia. Expanding its presence in the region with partnerships and specialized services.
- Aeroméxico Cargo (Mexico): Operates cargo flights within Latin America and internationally to North America, Europe, and Asia. Strong in connecting Mexican and Central American markets with major global hubs.

According to IATA, air cargo transports US$6 trillion worth of goods annually, representing a significant 35.0% of world trade by value. The world's top ten air cargo hubs are shown on the map and listed in the table below. Number eight on the list, Miami's International Airport, is an important hub for Avianca Cargo. In 2023, around 65.0% of freighter capacity between Latin America and North America passed through Miami, underscoring the city's key role.[4]

AIRPORT CARGO HUB	COUNTRY	CARGO HANDLED (TONS)
HONG KONG INTERNATIONAL (HKG)	China	4,199,196
MEMPHIS INTERNATIONAL (MEM)	USA	4,042,679
TED STEVENS ANCHORAGE INTERNATIONAL (ANC)	USA	3,461,603
SHANGHAI PUDONG INTERNATIONAL (PVG)	China	3,117,216
LOUISVILLE MUHAMMAD ALI INTERNATIONAL (SDF)	USA	3,067,234
INCHEON INTERNATIONAL (ICN)	Korea	2,945,855
TAIWAN TAOYUAN INTERNATIONAL (TPE)	Taiwan	2,538,768
MIAMI INTERNATIONAL (MIA)	USA	2,499,837
LOS ANGELES INTERNATIONAL (LAX)	USA	2,489,854
TOKYO NARITA INTERNATIONAL (NRT)	Japan	2,399,298

Sources: Airports Council International as of July 19, 2023

[4] Boeing World Air Cargo Forecast 2024-2043.

IV. AIR CARGO MARKET OVERVIEW

Air cargo plays a unique role in global trade due to its unparalleled reliability, speed, and security. Nearly 99.0% of world trade consists of low-value bulk commodities transported via ocean freight such as oil, metal ores, and grains. Though less than 1.0% of trade volumes are transported via air, air freight commodities tend to be perishable, high-value, or time-sensitive goods which collectively generate around 35.0% of world trade value. The two main types of air cargo have been express and general. In recent years, e-commerce has emerged as a significant third, often overlapping the other two.[5]

There are several distinct airline business models for air cargo:

- **Belly-only operators** provide air cargo capability using existing passenger networks and fleets
- **All-cargo operators** offer dedicated main-deck freighter capability for general freight, charter operations, and special or outsize cargo needs
- **Combination carriers** use both dedicated main-deck freighters as well as the belly capacity of passenger aircraft to serve a broad network and diverse markets
- **Express carriers** operate main-deck freighter fleets of all sizes to provide time-definite services from first-mile pickup to last-mile delivery, as well as general air cargo capability

The air cargo market faced significant challenges in early 2023 due to global economic uncertainty—but experienced a strong recovery in the latter half of the year, driven by a surge in demand for Chinese e-commerce goods, which continues in 2024. While the past year highlights short-term volatility, the industry has demonstrated long-term resilience. Despite multiple downturns, the industry has grown at an average of 2.6% per year over the last 20 years.

Boeing's forecast for the global air cargo industry is primarily driven by the projected growth of global real GDP, which is expected to increase 2.6% annually over the next 20 years. South Asia, China, Southeast Asia, and Africa will lead this growth as their economies continue to develop and mature. Global trade and industrial production, also drivers of air cargo, are projected to grow 2.9% and 2.2% annually over the same period.

[5] Boeing World Air Cargo Forecast 2024.

Another significant factor contributing to future air cargo growth is supply chain diversification. The rise of geopolitical risk and the COVID-19 pandemic exposed the vulnerabilities of single-source supply chains, including labor, shipping, and manufacturing constraints. In response, manufacturers have begun diversifying their operations and supply chains to other parts of Asia. Southeast Asian countries, for example, have significantly increased their industrial capabilities and global air exports since 2017 because of these shifts. Increasingly, multi-node supply chains will depend on air cargo for reliable and timely connectivity across different stages of the manufacturing process.

Growth of e-commerce and express networks will provide a further boost to air cargo demand. The entry of new e-commerce market players significantly accelerated air cargo growth in the latter half of 2023 and into 2024, underscoring the importance of air cargo's unmatched speed to serve the digital economy. Global e-commerce revenues are forecast to rise around 9.0% per year through 2029, with the fastest growth in the emerging markets of South Asia and Southeast Asia. Air cargo networks will play an essential role in this expansion.

Air Traffic Flows — Latin America

Over the past 20 years, Colombia, Chile, and Ecuador have more than doubled their exports to the U.S., largely driven by the resilience of perishables as essential commodities. Nicaragua now exports three times the volume it did in 2003, with shipments primarily consisting of perishables and a growing share of electrical equipment. Mexico and Brazil, the largest Latin American economies with strong ties to North America, accounted for over 40.0% of all Latin American air exports to North America by value. However, by tonnage, Colombia, Chile, and Ecuador represented around 65.0% of exports to North America, reflecting their dominance in lower-value commodities like perishables and flowers.

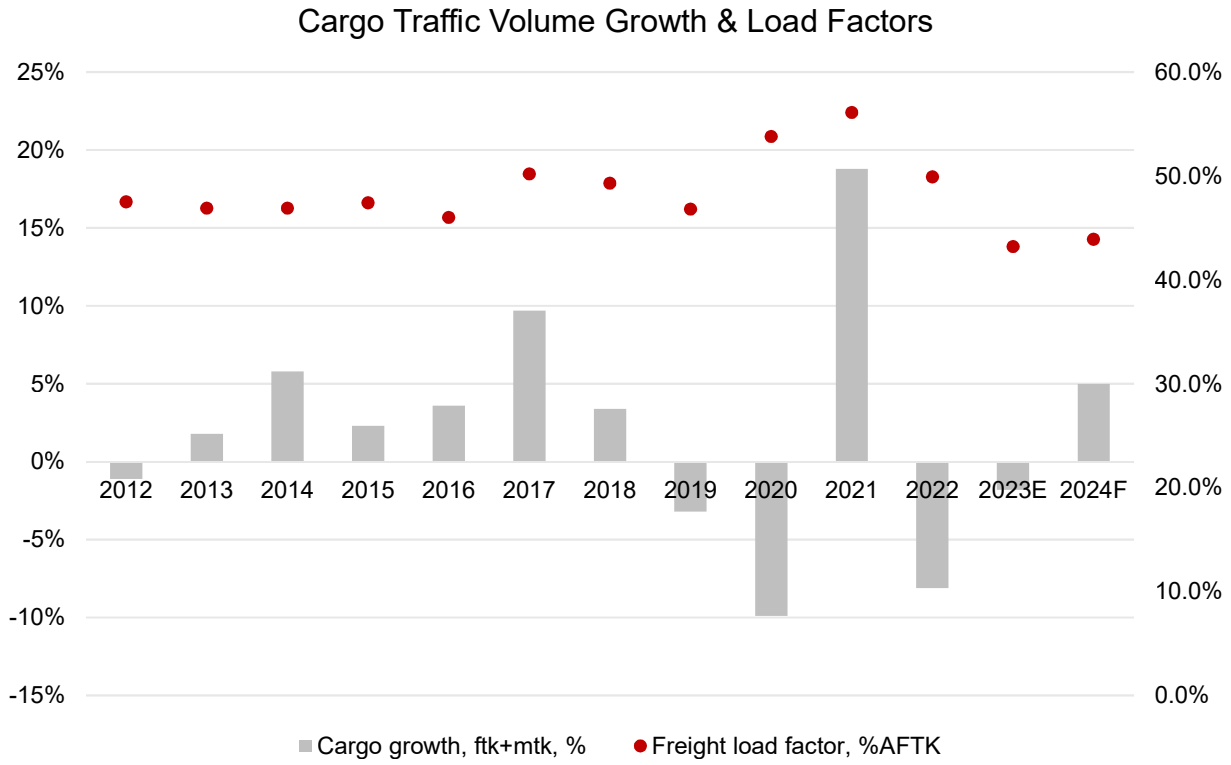
Spain, Germany, and the Netherlands account for over 60.0% of total trade tonnage from Europe, while Mexico and Brazil represent over 50.0% on the Latin American side. Emerging economies such as Paraguay, Uruguay, and Peru are among the fastest growing. These three countries have expanded exports of fruits and vegetables, which rely on air cargo to meet freshness and quality requirements, as well as textiles. Paraguay has also increased its export of spirits, particularly rum, which enjoys strong demand in Europe. Expanding consumer markets in Latin America will drive future air cargo demand between these regions.

AIR CARGO TRAFFIC FORECAST BY FLOW[6]	SHARE OF GLOBAL TRAFFIC, %	CAGR 2024–2043
L. AMERICA & N. AMERICA	4.0%	2.7%
L. AMERICA & EUROPE	4.0%	2.9%

[6] Latin America Traffic Flows selected, Boeing World Air Cargo Forecast 2024-2043.

Traffic Volume & Load Factors

In the decade leading up to 2019, the compounded annual growth rate of cargo volumes was 3.8% with an average freight load factor of 47.6%. The COVID-19 pandemic significantly disrupted global supply chains, leading to a heightened reliance on air freight for the rapid delivery of essential goods and e-commerce products. This shift resulted in elevated air cargo volumes in 2021. The air cargo sector continues to exhibit strong momentum, with November marking the 13th consecutive month of double-digit growth in demand with load factors at their highest level since April 2022. The sustained increase was primarily fueled by the ongoing e-commerce boom.[7]

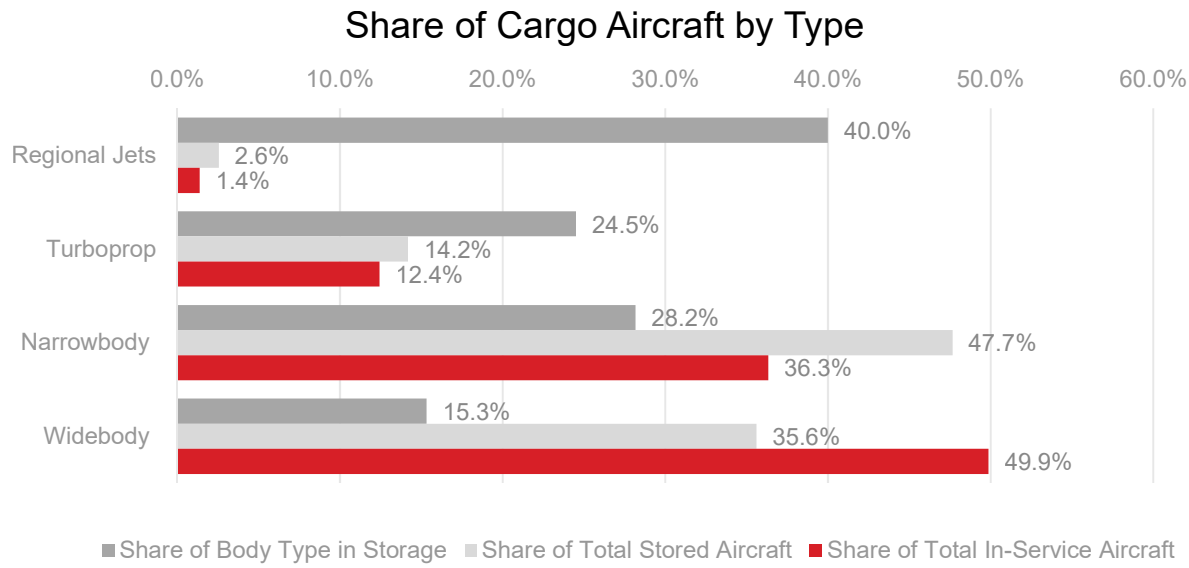


Source: IATA Air Cargo Market Analysis

[7] https://aircargoweek.com/global-air-cargo-demand-maintains-strong-momentum-in-november/.

Fleet

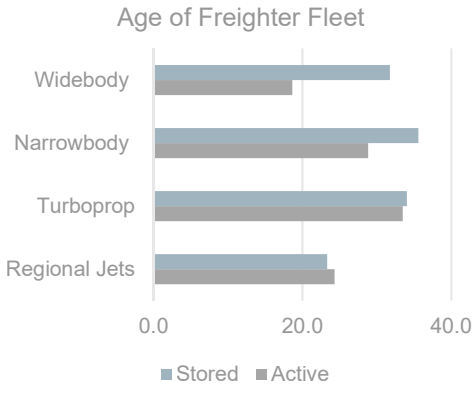
Dedicated air cargo is clearly vital to the global economy. According to mba's REDBOOK Fleet+, as of October 2024, there are 2,579 active and 705 stored freighter aircraft. Widebody freighters have long made up the majority of cargo aircraft, and 251 widebody freighter and combi aircraft are in storage, according to mba's REDBOOK Fleet+, mostly older, less-efficient aircraft. Narrowbody freighters make up over a third of the fleet, which was primarily 737 Classics and 757s until the pandemic. However, a growing number of 737 NGs and A321s have been converted since 2019 and make up 23.9% and 6.2%, respectively, of the narrowbody fleet today.



Source: mba's REDBOOK Fleet+, October 2024

Of all cargo aircraft, 21.5% are parked—28.2% of narrowbody freighters (336 aircraft) are stored, with an average age of 25.4 years, and 15.0% of widebody freighters (244 aircraft) are stored, with an average age of 26.6 years. By comparison, the average age of active widebody freighters is 17.5 years (11.1 years for widebody factory freighters) and 26.2 for narrowbody freighters. About a quarter of turboprop freighters are in storage, as are nearly one-half of regional jet freighters, mostly CRJ-200s, which have an average age of 24.3 years

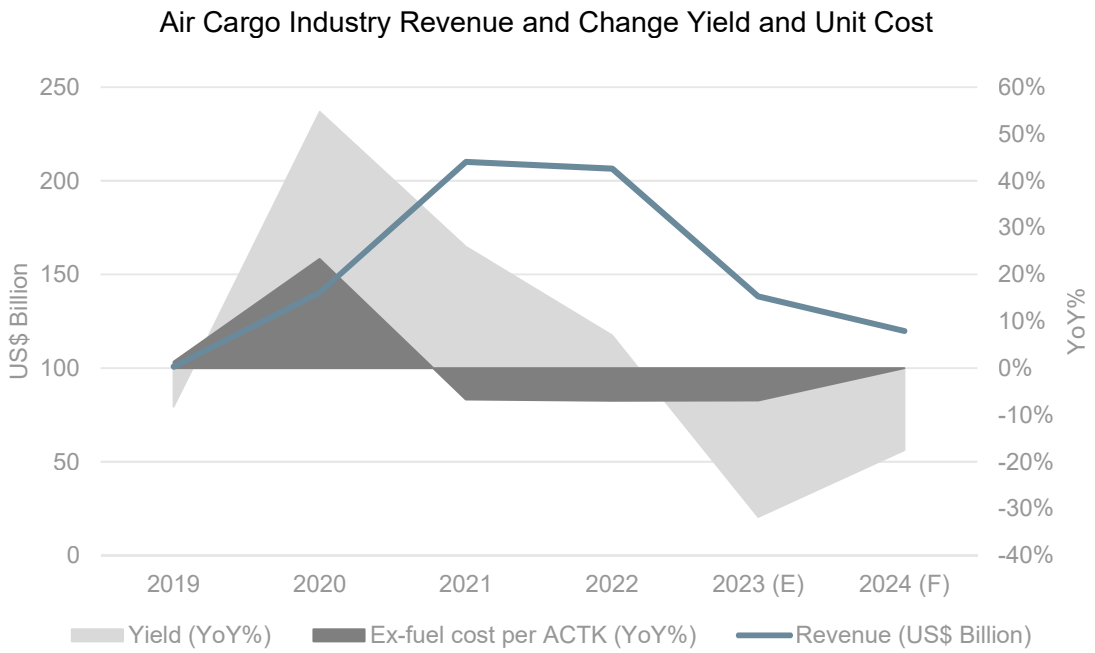
Boeing aircraft (not including McDonnell Douglas aircraft) make up 56.2% of the active freighter fleet, and 12.7% of the total stored freighter fleet. Airbus aircraft comprise only 8.9% of the active freighter fleet and 2.1% of the stored fleet. ATR and Bombardier compete in the regional and turboprop freighter market, accounting for approximately 5.7% of freighter aircraft and only 1.8% of stored freighters.



Profitability & Yields

Despite the decline in CTK as a result of the pandemic in 2020, air cargo revenues rose by nearly 40.0% year-over-year (YoY) during the year, driven by a spike in cargo yields. Air cargo revenues peaked in 2021, with both CTKs and yields increasing. Since 2023, a correction in air cargo yields to pre-COVID levels is putting pressure on air cargo revenues. IATA expects the drop in cargo yields to outweigh the increase in CTK in 2024, resulting in a 13.4% decline in cargo revenues year-on-year. Unit costs in the air cargo industry (as measured by ex-fuel cost per ACTK) also saw an increase in 2020 and have been on a decline since, though to a lesser extent than the decline in cargo yields.

The graph below displays profitability numbers for the global air cargo industry as per IATA.



Source: IATA (as of June 2024), mba Aviation Analysis

The global air cargo yield grew by 12.0% YoY in August (the most recent data available), the highest annual increase in over two years. While the accelerating annual growth rates in 2024 are flattered by the slow-down seen in 2023 and the resulting low base against which to measure developments in 2024, the average yield is still an impressive 46.0% above 2019 levels. The fact that there is no sign of the average yield reverting to pre-COVID-19 levels is remarkable, especially during the peak capacity that the industry experienced this summer.

The elevated yields can be explained in part by booming e-commerce. Asian companies ship their products (e.g., fast fashion, household items, and cosmetics) directly from their factories to American and European consumers by air in personally addressed packages. In this way, they avoid transport intermediaries and warehousing operations and, in many cases, benefit from import duty exemptions. The growth in yields is also helped by the reduced reliability of ocean shipping and the associated shipping rate hikes, both primarily related to the Houthi attacks in the Red Sea. This has led to a sharp 65.0% drop in the relative price, making air cargo rates cheaper than maritime and leading some shippers to shift from sea to air transport for specific route segments.

E-commerce companies and shippers that shift from sea to air compete for air freight capacity with the more traditional air cargo clientele, pushing yields upward. Indeed, air cargo yields on "westbound" routes out of Asia into Europe and the Americas, either directly or via the Middle East, have increased radically over the past year (ranging from 9.0% to 84.0% YoY). At the same time, rates mostly fall on the respective backhaul routes and the Europe–America trade lane (spanning -18.0% to +3.0% YoY). [8]

Outlook

Boeing's 2024 Current Market Outlook forecasts that air cargo traffic, measured in CTKs, will grow at an average annual rate of 4.0% YoY from 2024 to 2043. Express carriers, which accounted for 18.0% of total industry traffic in 2023, are expected to grow at an average annual rate of 5.8%. Due to their greater flexibility in handling express cargo, general cargo as well as e-commerce, these carriers are anticipated to outpace overall industry growth and increase their market share to 25.0% by 2043.

It estimates that between replacing the aging fleet and adding new aircraft needed for growth, 2,800 freighter deliveries will be needed by 2043: 1,005 production freighters and 1,795 conversions from the passenger fleet, 1,250 of which will be narrowbodies. Airbus's 2024 Global Market Forecast estimates a demand for 2,470 freighters by 2043: 940 production and 1,530 conversions from passenger fleet.

[8] IATA Quarterly Air Transport Chartbook 3Q 2024.

V. FINANCIAL STATEMENT ANALYSIS

Past results are not a guarantee of future performance. Analysis of historical financial information, however, is essential to the valuation process. The Subject Entity's financial statement and business plan items are analyzed below. The balance sheet and income statement, which are an integral part of this Report, and discussions with management serve as the basis for the analysis in this section of the Report. For purposes of this valuation, mba is considering the benefit streams associated only with the Avianca Cargo freight business. All figures in this section of the Report are approximate.

Income Statement

Revenue

Avianca Cargo's revenue performance is a reflection of its strategic position in the Latin American air freight market, specializing in high-value and time-sensitive shipments such as perishables, pharmaceuticals, and general cargo. As a leading player in the export of flowers from Colombia and Ecuador, Avianca Cargo benefits from consistent demand, particularly in North America and Europe, where it operates frequent routes to major hubs like Miami and Madrid. The company's reliance on these high-margin perishable goods, along with its robust hub network in Bogotá and Medellín, contributes to steady revenue streams. However, revenue growth can be challenged by external factors such as economic volatility in Latin America, fluctuating fuel prices, and competitive pressure from both regional players like LATAM Cargo and global carriers like DHL and FedEx. Despite these challenges, Avianca Cargo has demonstrated resilience by optimizing its fleet for cargo efficiency. [9]

Expenses

The Subject Entity's primary expenses are variable costs associated with the freighter operations, including fuel costs, labor costs, maintenance costs, handling costs, and landing fees. In addition, there are overhead expenses associated with payroll, marketing and advertising, information technology, and general and administrative expenses.

[9] Avianca 3Q24 Presentation.

Financial Ratios

A ratio analysis was performed in the Valuation of the Subject Entity. Ratios were calculated to understand the liquidity, activity, leverage, and profitability of the Subject Entity.

Liquidity Ratios

Liquidity ratios provide insight into a company's ability to meet their current obligations, with a higher ratio suggesting a greater margin of safety from being unable to meet such liabilities. In evaluating the Subject Entity, mba calculated the current ratio and cash ratio to better understand the Subject Entity's liquidity position. The current ratio is a measure of current assets to current liabilities (current assets/current liabilities), a high current ratio suggests good financial health in terms of accessibility to financing, operating cycle, and allocation of assets. mba found a current ratio of 1.2x in 2024 for the Subject Entity.

Activity Ratios

Activity ratios were calculated to evaluate the operating cycle of the business. Accounts Receivable Turnover was first examined; this ratio is found by dividing Revenues by the Average Accounts Receivable over the examined period. During 2024, the Subject Entity had a 12.7 for Accounts Receivable Turnover Ratio. This ratio suggests that the Subject Entity does business with customers who have the ability to pay for products. The Accounts Receivable Turnover Ratio was further examined by dividing the number of days in a year (366) by the calculated Accounts Receivable Turnover Ratio to understand approximately how often the Subject Entity takes to collect such receivables. The collection period for the Subject Entity is 30 days.

Profitability Ratios

Profitability ratios such as "operating" and "net profit margin" were also examined. EBITDA margin was found next by dividing EBITDA by Revenue. The Subject Entity's EBITDA margin in 2025 is forecasted to be 24.9%.

Industry Comparison

Cargo airlines fall under the Global Industry Classification Standard (GICS) Code 203010: Industrials: Transportation: Air Freight and Logistics. mba looked at 5 publicly listed companies primarily engaged in air freight and logistics, and can be considered comparable industry peers, at the Valuation Date.

COMPANY	TICKER	EXCHANGE	DOMICILE
DEUTSCHE POST AG	DB:DHL	Frankfurt	Germany
FEDEX CORPORATION	NYSE:FDX	New York	United States
KUEHNE + NAGEL INTERNATIONAL AG	SWX:KNIN	SIX Swiss	Switzerland
POSTNL N.V.	ENXTAM:PNL	Euronext Amsterdam	Netherlands
UNITED PARCEL SERVICE, INC.	NYSE:UPS	New York	United States

Deutsche Post DHL Group (DHLGY)—Large Cap Stock

Deutsche Post DHL Group operates a mail and logistics company based in Germany with global operations moving letters and freight via air, ocean, and overland. At the time of Valuation, DHLGY had a Market Value to Equity of approximately US$43.5 billion with 1.2 billion shares outstanding.

FedEx Corporation (FDX)—Large Cap Stock

FedEx provides air express and ground package services to residences and businesses globally, as well as truck freight and logistics services. At the time of the Valuation, FDX had a Market Cap of approximately US$71.5 billion with 251.0 million shares outstanding.

KUEHNE + NAGEL INTERNATIONAL AG (KNIN)—Large Cap Stock

Kuehne + Nagel International AG provides logistics and supply chain solutions to businesses and consumers globally, with a focus on freight forwarding, contract logistics, and integrated logistics services. At the time of Valuation, KNIN had a Market Cap of approximately US$26.9 billion with 120.8 million shares outstanding.

PostNL N.V. (PNL)—Small Cap Stock

PostNL N.V. provides postal and logistics services to businesses and consumers in the Netherlands, the rest of Europe, and internationally. At the time of Valuation, PNL had a Market Cap of approximately US$520.0 million with 502.1 million shares outstanding.

United Parcel Service, Inc. (UPS)—Large Cap Stock

United Parcel Service is a global package delivery company with ancillary transport operations including air and ocean forwarding, customs brokerage, and truck freight services. At the time of the Valuation, UPS had a Market Cap of approximately US$107.5 billion with 861.0 million shares outstanding.

Financial Ratio Comparison

The Subject Entity was compared to the comparable companies by evaluating liquidity, activity, leverage, and profitability ratios. Industry average ratios were calculated using the comparable companies identified in this section as sample data. The chart below summarizes the analysis of the Subject Entity's 2025 business plan compared to the chosen industry pool of five companies for the latest 12-month period that financial data is available.[10]

	AVIANCA CARGO	INDUSTRY (MARKET CAP WEIGHTED AVERAGE)	INDUSTRY (MEDIAN)
LIQUIDITY RATIOS			
CURRENT RATIO	1.2x	1.1x	0.9x
CASH RATIO	-	0.33	0.40
ACTIVITY RATIOS			
ACCOUNTS RECEIVABLE TURNOVER	-	8.51	8.49
ACCOUNTS RECEIVABLE TURNOVER (DAYS)	30 days	44 days	43 days
PROFITABILITY RATIOS			
EBITDA MARGIN	24.9%	11.6%	8.8%
YOY REVENUE GROWTH RATE	-12.6%	-3.0%	-1.5%
2019-2024 REVENUE CAGR	-	4.6%	4.7%

Note: Avianca Cargo's values are based on estimates for 2025.

The Subject Entity has comparatively higher liquidity overall as indicated by its Current Ratio and Cash Ratio. The industry current ratios by weighted b market cap and median, are 1.1x and 0.9x, respectively, demonstrating a healthy ability to cover debts with current assets. The Subject Entity appears to have a financially capable client base with Accounts Receivable Turnover days being lower than the industry. The Subject Entity has higher profitability (EBITDA) Margins than the current industry average and median. Given that the industry is normalizing after a tremendous growth period during the COVID-19 pandemic, the YoY Revenue Growth is negative. The Compounded Annual Growth Rate from 2019 demonstrates the success over the last five years.

[10] For the industry pool, this is the 12 months ending August or September 2024.

VI. VALUATION APPROACHES & METHODS CONSIDERED

To arrive at the Conclusion of Value, mba considered three generally accepted approaches to valuation, namely: the Income Approach, the Market Approach, and the Cost Approach. The Income Approach seeks to convert future economic benefits into a present value. The Market Approach relies on values indicated by similar assets or comparable transactions. The Cost Approach is based on a comprehensive or all-inclusive analysis of the relevant cost components.

Income Approach

The Income Approach is based on the premise that the value of a security or asset is the present value of the future earnings capacity that is available for distribution to investors in the security or asset. Expected future earnings capacity can be measured by one of various benefit streams, such as cash flows, net income, or earnings before taxes, and can be calculated on a debt-free or after-debt basis. The choice of a proper stream of benefits depends on various factors, such as the enterprise's capital structure and its line of business. The Income Approach typically requires entity-specific assumptions, which are evaluated in the context of marketplace assumptions.

Two methods commonly used in the Income Approach are the Discounted Cash Flow Method and the Capitalization of Cash Flow Method. In the Discounted Cash Flow Method, future benefit streams are forecasted for a discrete period of time and then discounted back to their present value using a Discount Rate commensurate with the deemed level of risk. The Discounted Cash Flow Method is a multi-period model that also factors in the present value of a terminal value.

In the Capitalization of Cash Flow Method, the expected benefits for one time period are capitalized into perpetuity using a Capitalization Rate that is equal to the Discount Rate minus the expected long-term sustainable growth rate. The Capitalization of Cash Flow Method is predicated on stable earnings and constant growth and is most appropriate when it appears that a company's current and historical earnings can be considered indicative of its future operating results. Put another way, it is inherent in this method that past or current performance is a reasonable predictor of future performance.

Discount Rates and Capitalization Rates vary among particular types of businesses and from one period of time to another due to a variety of risk factors. Expressed as a percentage, the more speculative a company's income stream is, the higher the Discount Rate and Capitalization Rate. Conversely, the more stable the income stream is, the lower the Discount Rate and Capitalization Rate.

Market Approach

The Market Approach references the valuation of actual transactions in the equity or whole enterprise of the Subject Company or similar companies to the Subject Company. Third-party transactions in the equity of the Subject Company or similar companies generally represent the best estimate of value if they are done at arm's length. Under the Market Approach, valuation multiples are derived using data regarding either guideline companies with publicly traded equity or sale transactions involving similar businesses. Use of this approach requires a population of companies that are, as stated in IRS Revenue Ruling 59-60, in "the same or similar line of business" as the enterprise being valued and that have similar financial and operating characteristics. This approach is often difficult to implement for relatively small, closely held businesses because comparable guideline companies are scarce and reliable information is difficult to obtain.

Under the Guideline Public Company Method, some measure of value is derived from publicly traded stock prices of companies that are sufficiently similar to the business being valued to be classified as "guideline" companies. The value measure is usually some multiple computed by dividing the guideline company's market capitalization or the market value of invested capital (market capitalization plus interest-bearing debt) by some form of earnings or revenues. After suitable public companies are identified, valuation multiples can be derived, adjusted for comparability, and then applied to a subject entity to estimate the value of its equity or invested capital.

The Precedent Transaction Method, similar to the Guideline Public Company Method in its use of valuation multiples, focuses instead on transactions involving sales of entire companies. Such transactions reflect the varying facts and circumstances surrounding specific buyers and sellers (both stated and unstated). Information on such transactions can be obtained from various database services or industry publications. In addition, multiples derived from such transactions may not be indicative of fair market value, since they may reflect anticipated synergies sought after by a purchaser.

Asset Approach

The third considered approach to valuation is the Asset Approach. This approach is based on the economic principle of substitution and the asset value is influenced by the cost to substitute or replace the asset. The Asset Approach considers a comprehensive definition of cost, which may include time, materials, and opportunity cost of creating the asset.

The Asset Approach is generally applicable where the value of a business is concentrated in its tangible and identifiable intangible (i.e., not goodwill) assets and where such assets, when considered as a whole, produce a going concern value. The Asset Approach is frequently employed when determining the value of holding companies, family-limited partnerships, manufacturing concerns, or operating companies that have erratic or depressed earnings. In addition, the Asset Approach lends itself to valuing a controlling business interest since a minority owner, by definition, would not have the authority to acquire or liquidate assets. This is true because the assets are owned by the business and not by the owners of the business.

Valuation Approach Chosen

The three approaches considered in this Valuation Engagement were the Income, Market, and Asset approaches. Like many businesses, there is a strong correlation between the Subject Entity's value and its ability to generate future operating cash flows or earnings. It is, therefore, appropriate to use the Income Approach for this Valuation Engagement. To the extent that the Subject Entity's current and historical results would be considered reasonable proxies for future benefits streams, the Capitalization of Cash Flow Method could be a suitable method under the Income Approach. It is mba's belief, given the contractual terms of future deliveries, that the Discounted Cash Flow Method is more suitable for this Valuation Engagement, and was the Method chosen under the Income Approach.

mba also believes that the Market Approach is relevant to this Valuation Engagement given the relevance and influence of economic factors on commercial aviation. As part of this analysis, mba was able to identify comparable public companies to look to for valuation multiples. As such, mba determined that it is appropriate to use the Guideline Public Company Method for this Valuation Engagement. Precedent transactions are considered to assess the market's demand, identify trends in similar investments and estimate the value of a company, therefore it is appropriate to use the Precedent Transaction Method also.

Given the nature of the Subject Entity's operations and its unique business model dependence on the parent company, mba concluded that use of the Asset Approach would not be appropriate for this Valuation Engagement.

VII. VALUATION APPROACHES & METHODS USED

Income Approach—Discounted Cash Flow Method

Application of the Discounted Cash Flow Method requires the preparation of a reliable forecast of the expected future financial performance of the Subject Entity. In this context, the Subject Entity's future financial performance is a reflection of its future revenues, operating expenses, taxes, working capital requirements, and capital expenditures over some discrete period of time.

Forecasted cash flow must then be discounted to a present value using a Discount Rate that appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows. Finally, an assumption must be made regarding the sustainable long-term rate of earnings growth at the end of the forecast period, and the terminal or residual value of the remaining cash flows must be discounted back to a present value. The sum of the present values of the forecasted cash flows and the terminal value equals the value of the enterprise.

Earnings Forecast and Cash Flow Adjustments

mba prepared a Discounted Cash Flow scenario based on the forecasted business plan prepared by the Subject Entity. The business plan includes a breakdown of revenues and direct and indirect costs. mba examined the profit and loss items in common size and found the forecasted revenues and costs to be consistent with the Subject Entity's historical experience. mba also examined the forecasted operating metrics included with the business plan including Yield, Block Hours, Fuel Gallons, and Cargo Tonnes and found these key drivers to be consistent with the Subject Entity's historical experience. mba applied the earnings forecast and projected the cash flows from the Valuation Date through December 2027. The Earnings Before Interest and Taxes (EBIT) were adjusted for taxes, capital expenditures, depreciation, and amortization. The following is a list of cash flow adjustments:

Tax Rate

The Company has tax losses that are available indefinitely for offset against future taxable profits. mba assumed a tax rate of 0.0% in the forecast.

Terminal Growth Rate

At the conclusion of the forecast period, mba applied a terminal growth model based on the forecasted 2027 cash flows. mba assumed a terminal growth rate of 2.7% to be appropriate considering the industry, business model, and regional consumer behaviors. The growth rate estimate for freight in the Americas is 2.7% and 2.9% for Latin America–Europe freight flows.[11] Based on this, we believe 2.7% is a reasonable growth proxy.

[11] Boeing World Air Cargo Forecast 2024-2043

Discount Rate Estimation

The Discount Rate applied to the forecasted benefit stream and terminal value must adequately reflect the nature of the applicable investment and the risk associated with the underlying cash flows. Stated another way, the Discount Rate represents the total rate of return that an investor would demand given the level of risk associated with an investment. For purposes of an enterprise valuation, mba derived the Subject Entity's Weighted Average Cost of Capital (WACC). This reflects the return required by all providers of capital weighted by their relative contribution to total capital.

The after-tax Cost of Equity represents the return required by equity investors. mba considered two common methods of developing an appropriate Cost of Equity: the Buildup Method and the modified Capital Asset Pricing Model (CAPM). The Buildup Method starts with a risk-free rate of return and adds to it a number of identifiable risk factors. The modified CAPM is similar to the Buildup Method except that it requires the use of industry-specific beta information derived from similar public companies. For purposes of this Valuation Engagement, mba determined that the Buildup Method was appropriate for determining the Subject Entity's Cost of Equity.

The formula for the Buildup Method is $k_e = r_f + r_m + r_i + r_s + r_c$. The following definitions apply:

Cost of Equity Capital (k_e) - The return required by stockholders.

Risk-Free Rate (r_f) - The return on government securities with a term similar to that of the investment being valued.

Equity Risk Premium (r_m) - The additional return an investor expects in order to compensate for the additional risk associated with investing in equity securities instead of investing in a riskless asset; a measure of systematic risk.

Industry Risk Premium (r_i) - Unsystematic risk attributable to the industry in which the Subject Entity operates.

Size Premium (r_s) - Unsystematic Risk attributable to the widely acknowledged fact that smaller stocks, on average, are riskier than larger stocks and therefore require a greater return.

Country Risk (CRP) – Systematic Risk investors consider when investing in a specific country.

Specific Risk (r_c) – Unsystematic Risk attributable to a subject asset.

mba estimated the Subject Entity's Cost of Equity through the build-up method in the table below.

COST OF EQUITY

RISK-FREE RATE	3.5%
EQUITY RISK PREMIUM	5.0%
INDUSTRY RISK PREMIUM	-0.3%
SIZE PREMIUM	4.1%
COUNTRY RISK	2.8%
SPECIFIC RISK	0.0%
ESTIMATED COST OF EQUITY CAPITAL (AFTER-TAX)	**15.0%**

The after-tax Cost of Debt is the return required by debt investors on long-term interest-bearing debt.

The formula for the after-tax rate of return is $k_d = k \times (1-t)$. The following definitions apply:

Cost of Debt (k_d) - The return required by debt investors.

Pre-tax Cost of Debt Capital (k) - Pre-tax cost of debt capital based on the yield of corporate bonds with a rating similar to that of the investment being valued.

Effective Income Tax Rate (t) - The percent of income that a corporation pays in taxes.

mba estimated the Subject Entity's Cost of Debt in the table below:

COST OF DEBT

PRE-TAX COST OF DEBT CAPITAL	9.0%
EFFECTIVE INCOME TAX RATE	0.0%
ESTIMATED COST OF DEBT CAPITAL (AFTER-TAX)	**9.0%**

The risk factors used in the Buildup Method are individually computed and are intended to be independently additive and non-overlapping in their measurement of risk. The selected risk-free rate of return is KROLL Normalized Risk-Free Rate. mba did not compute the risk premium factors and instead relied on the *KROLL Cost of Capital Navigator*, in determining the Equity Risk Premium, Size Premium, and Industry Risk Premium. For the Industry Risk premium, mba observed the measures for GICS code 203010, "Air Freight and Logistics." This is the GICS classification for cargo airlines. Specific risk is a matter of professional judgment and deals with the risk of a particular asset or company. The cost of debt for a company with ratings similar to the Subject Entity at the time of this valuation is estimated at 9.0%. Using a target capital structure of 65.0% debt to 35.0% equity, mba calculated the WACC to be 11.1%.

The Subject Entity expects an effective tax rate of 0.0% to offset tax expenses with losses incurred due to COVID-19. mba considered a 0.0% tax rate for the WACC calculation during the forecast period. During the forecast period, mba calculated the WACC to be 11.1%. In determining the terminal value, mba applied a 35.0% tax rate and, correspondingly, used a WACC of 9.1%. The terminal value was discounted back to present using the WACC of 11.1%.

Indicated Value

To represent cash flows outside of the discrete forecast period, it was necessary to compute a terminal value. Given the operations of the Subject Entity, mba's methodology for terminal value included the addition of the applicable depreciation and amortization and providing for capital expenditures. The terminal value, with the discrete cash flows, was present valued to arrive at the total enterprise calculation.

INCOME APPROACH – DCF

SUBJECT ENTITY ENTERPRISE VALUE	US$830,133,000

Market Approach—Guideline Public Company Method

The Guideline Public Company Method develops a value measure based on the prices at which the equity securities of similar companies are trading in the public markets. The strengths of the Guideline Public Company Method are:

- It uses the actual value that investors currently are paying for ownership interests in public companies with similar business models and financial characteristics;
- The large number of public companies in the U.S. and strict reporting requirements facilitates availability of data; and
- Comparable company histories are readily available, with complete, accurate, and audited financial information. The primary weakness of the methodology is the potential lack of fit or applicability of comparable companies.

Guideline Companies

mba selected seven companies that were deemed sufficiently comparable to the Subject Entity; all engaged in Air Freight and Logistics, though no company was directly comparable. As a result, this analysis is based on the characteristics of the sample as a whole. The table below provides brief descriptions[12] of each of the Guideline Public companies that mba selected for this analysis.

COMPANY	TICKER	EXCHANGE	LISTED	FINANCIALS
DEUTSCHE POST AG	DB:DHL	Frankfurt	2000	09/30/2024
FEDEX CORPORATION	NYSE:FDX	New York	1978	08/31/2024
KUEHNE + NAGEL INTERNATIONAL AG	SWX:KNIN	SIX Swiss	1976	09/30/2024
POSTNL N.V.	ENXTAM:PNL	Euronext Amsterdam	1998	09/28/2024
UNITED PARCEL SERVICE, INC.	NYSE:UPS	New York	1999	09/30/2024

[12] Source: Charles Schwab.

Observed Valuation Multiples

Factors considered in determining multiples included the dispersion among the Guideline Company multiples, the number of observations, and the existence of outliers. In making these determinations, mba considered the following factors:

- The indicated multiples for each of the Guideline Companies;
- The operational characteristics of and the markets served by the Guideline Companies;
- The Subject Entity's size relative to the Guideline Companies; and
- The Subject Entity's revenues and earnings growth relative to the Guideline Companies.

mba examined numerous valuation multiples in selecting the most appropriate to determine the Enterprise Value of the Subject Entity. After considering the relationship of the Subject Entity to the set of Guideline Companies, mba determined that it would be appropriate to use the following multiples for this Valuation Engagement:

- Enterprise Value to Full Year Expected 2024 Sales,
- Enterprise Value to Full Year Expected 2025 Sales,
- Enterprise Value to Full Year Expected 2025 Earnings Before Interest, Taxes, Depreciation & Amortization (EBITDA), and
- Enterprise Value to Full Year Expected 2025 Earnings Before Interest, Taxes (EBIT).

mba selected multiples based on a weighted average of the multiples observed among the Guideline Companies. After an examination of the Guideline Companies' business models, mba believes there is a significant difference in product offering, capital intensity, and size between the Subject Entity and the comparisons, and weighted each by the market cap at the time of Valuation.

Indicated Values

For the EV/Revenue, EV/EBITDA, and EV/EBIT, the chart below presents the results of the analysis under the Guideline Public Company Method. These values are as if freely traded.

MEASURE	MEDIAN	MULTIPLE SELECTED	INDICATED ENTERPRISE VALUE
EV/REVENUE 2024	1.1x	1.2x	US$713,018,000
EV/REVENUE 2025	1.1x	1.2x	US$623,042,000
EV/EBITDA 2025	9.8x	10.1x	US$1,947,308,000
EV/EBIT 2025	15.0x	14.6x	US$1,263,558,000

Market Approach—Precedent Transaction

The Precedent Transaction Method develops a value measure based on the prices at which similar companies have sold in the past. While every transaction is different and thus makes direct comparisons difficult, the Precedent Transaction Method helps to provide a general assessment of the market's demand for a particular asset and an approximate valuation of the asset. Despite this, this certain type of assessment is more of a generalization since there are so many variabilities to take into account, such as competitor size or advantage, market demand, business cycle, and more intricate considerations like exchange rates for import/export companies and geopolitical effects on companies such as those affected by quantitative easing measures or productions caps.

Precedent Transactions

mba analyzed the 2022 Atlas Air Worldwide (AAWW) transaction. In August 2022, Atlas Air Worldwide (Nasdaq: AAWW) ("Atlas"), a leading global provider of outsourced aircraft and aviation operating services, including ACMI, Charter, and Dry Leasing, announced that it has entered into a definitive agreement to be acquired by an investor group ("the Consortium") led by funds managed by affiliates of Apollo (NYSE: APO) together with investment affiliates of J.F. Lehman & Company and Hill City Capital in an all-cash transaction with an enterprise valuation of approximately US$5.2 billion. On March 17, 2023, the acquisition of AAWW was completed.[13]

mba analyzed the 2024 Air Transport Services Group, Inc. (NASDAQ:ATSG) transaction. A global leader in medium widebody freighter aircraft leasing, air transport operations, and support services, ATSG announced that it has entered into a definitive agreement to be acquired by Stonepeak, a leading alternative investment firm specializing in infrastructure and real assets, in an all-cash transaction with an enterprise valuation of approximately US$3.1 billion. The purchase price represents a premium of approximately 29.3% over ATSG's closing share price on November 1, 2024, the last full trading day prior to this announcement, and a 45.5% premium over ATSG's volume-weighted average price (VWAP) over the prior 90 trading days. Upon completion of the transaction, ATSG's shares will no longer trade on NASDAQ, and ATSG will become a private company.[14]

COMPANY	TICKER	EXCHANGE	LISTED
ATLAS AIR WORLDWIDE HOLDINGS, INC.	AAWW	NASDAQ	2004
AIR TRANSPORT SERVICES GROUP, INC.	ATSG	NASDAQ	2003

[13] https://www.apollo.com/insights-news/pressreleases/2023/03/investor-group-led-by-apollo-together-with-j-f-lehman-company-and-hill-city-capital-completes-acquisition-of-atlas-air-worldwide-200115897.
[14] https://www.atsginc.com/investors/news-and-events/ir-press-release/year/2024/11-04-2024-133047323.

Observed Valuation Multiples

The Precedent Transaction Method, although similar to the Guideline Company Method in its use of price multiples, focuses on the transactions involving the sales of entire companies, rather than sales of minority interests of publicly traded stock. Since the transactions comprise sales of entire companies, any derived value for the subject company using this method results in a control value.

mba examined numerous valuation multiples in selecting the most appropriate to determine the Enterprise Value of the Subject Entity. After considering the relationship of the Subject Entity to the Precedent Transaction, mba determined that it would be appropriate to use the following multiples for this Valuation Engagement:

- Enterprise Value to Full-Year Expected 2024 Sales.

Indicated Values

For the EV/Revenue, and EV/EBITDA, the chart below presents the results of the analysis under the Precedent Transaction Method.

TRANSACTION	MEASURE	MULTIPLE	INDICATED ENTERPRISE VALUE
AAWW	EV/Revenue	1.1x	US$701,324,000
ATSG	EV/Revenue	1.6x	US$969,934,000

VIII. VALUATION ADJUSTMENTS

When an interest lacks certain elements of control and marketability, two discounts are generally appropriate. They are typically referred to as the discount for Lack of Control, also known as the minority interest discount, and the discount for Lack of Marketability. Both Discounts for Lack of Control and Lack of Marketability in the valuation of closely held businesses have also been recognized by the various courts that have considered these issues.[15] A range of accepted discounts from court cases may not be meaningful in determining the appropriate discount for a particular valuation subject since those decisions rely heavily on the particular facts and circumstances specific to the respective cases but are useful in observing as a measure of reasonability.

Discount for Lack of Control

Discount for Lack of Control, also referred to as minority interest discount, is "an amount or percentage deducted from the pro rata share of value of 100.0% of an equity interest in a business to reflect the absence of some or all of the powers of control." The value of control depends on a shareholder's ability to influence what are referred to as "control prerogatives." The more common control prerogatives are:[16]

- Elect directors and appoint management;
- Determine management compensation and perquisites;
- Acquire or liquidate assets;
- Liquidate, dissolve, or recapitalize the company;
- Declare and pay dividends;
- Initiate a public offering of the company; and
- Change business plans/models.

The following factors can affect the amount of control, or lack thereof, and should be considered when determining the appropriate minority interest discount:

- Voting vs. non-voting interests;
- Cumulative vs. non-cumulative voting interests;
- Outside contractual restrictions;
- Federal and state regulations; and
- Distribution of ownership.

[15] See, for example, James R. Hitchner. *Financial Valuation Applications and Models*. Hoboken, NJ: John Wiley & Sons, Inc., 2003, at pp. 540-576.
[16] See, for example, Shannon P. Pratt. Valuing a Business: The Analysis and Appraisal of Closely Held Companies, 5th Edition. New York, NY: McGraw-Hill, 2008, at p. 385.

Because the purchaser of a non-controlling interest in a company would have little rational expectation of being able to influence company policy or company actions via voting rights, the value of a minority interest is subject to discount to reflect this Lack of Control and influence.

Studies of actual transactions indicate that companies pay a control premium when purchasing a controlling interest. The studies compare the actual price paid for a controlling interest to the price at which minority shares were previously traded. An implied minority discount is derived by formula from the median control premiums. It should be noted that these premiums are based on a company's stock price shortly before the announcement date of a merger transaction. Because stock prices tend to rise shortly before such transactions, the premiums may be understated. Also, the premiums documented in these studies are total acquisition premiums and, therefore, may reflect matters other than just control. For example, a company may be willing to pay a premium when acquiring another company for synergistic reasons.

Discount for Lack of Marketability

Shares of stock in a privately held company generally trade at a very significant discount to shares of stock in an otherwise equivalent publicly held company that are freely traded on organized exchanges. This is due to the relative ease and speed with which public company shares can be liquidated. Minority stockholders are at an even bigger disadvantage than majority stockholders when it comes to liquidity. In comparison to publicly traded securities, private company shares typically have attributes that make liquidation a slow and sometimes onerous process. Such attributes may include:[17]

- Existence of "put" rights;
- Historical distribution levels and the likelihood of future distributions;
- Pool of potential buyers;
- Prospects for a liquidation event (e.g., an acquisition or a public offering);
- Restrictive transfer provisions;
- Size and financial strength of the enterprise;
- Size of the ownership interest in question; and
- Information access and reliability.

While often difficult to quantify with precision, the concept of discounts for Lack of Marketability is widely accepted. If an investment cannot be readily sold, the absence of liquidity tends to adversely affect its value.

[17] See, for example, Shannon P. Pratt. *Valuing a Business: The Analysis and Appraisal of Closely Held Companies, 5th Edition*. New York, NY: McGraw-Hill, 2008, at pp. 446-448 and Shannon P. Pratt. *Business Valuation Discounts and Premiums*. New York, NY: John Wiley & Sons, Inc., 2001, at p. 79 and pp. 152-164.

The appropriate size of a discount for Lack of Marketability generally varies from one investment to another. To determine the discount applicable to a specific valuation subject, all relevant attributes must be examined. Data from various restricted stock studies and initial public offering studies, as described below, can provide insight in determining the appropriate Lack of Marketability discount. These studies are commonly referred to by business valuation analysts and cited in business valuation texts.

The restricted stock studies focus on comparing the prices of public companies' restricted stocks to their unrestricted equivalents. Restricted stock is unregistered stock subject to SEC Rule 144 and differs from other public company stocks only in that it typically is restricted from trading on the open market for a period of time. Since the shares studied are identical in all other respects, study results are thought to isolate the disadvantage associated with Lack of Marketability. The discount levels documented by these restricted stock studies range from 13.0% to 45.0%.

It should be noted that the SEC's 1997 reduction in the restricted stock holding period from two years to one may help explain lower documented discount levels in post-1996 study results. It should also be noted that various studies have documented the inverse relationship between discount size and the size (e.g., revenues, earnings, market capitalization) of study subjects.[18]

Another group of marketability studies focuses on comparing transactions in private company stocks with subsequent IPOs of the same stocks, the latter typically at a higher price. The price differential is, at least in part, attributable to the Lack of Marketability of such stocks prior to the public offering and tends to be smaller for transactions close to the IPO date and larger for transactions further away from the IPO date. The distinguishing factor between these pre-IPO studies and the restricted stock studies is that there exists no public market for a pre-IPO stock, whereas for restricted stocks a public market does exist, even if it is not immediately accessible. Consequently, the discount levels reported by the pre-IPO studies are generally higher than those of the restricted stock studies. The discount levels documented by these studies, range from about 35.0% to 65.0%.

Consideration of (but not reliance on) the restricted stock studies and the pre-IPO studies, however, is a necessary step in the business valuation process. Based on the foregoing, there is substantial evidence that the Lack of Marketability can severely reduce the value of a closely held business interest.

Concluded Discounts

The concepts of marketability discounts and control premiums, thus implied discounts for Lack of Control, are theoretically valid. Depending on the facts and circumstances germane to a particular Valuation Engagement and the applicable standard of value, discounts for Lack of Control, Lack of Marketability, or both may be appropriate.

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[18] James R. Hitchner. *Financial Valuation Applications and Models*. Hoboken, NJ: John Wiley & Sons, Inc., 2003, p. 310.

Premium/(Discount) for Lack of Control

The Subject Entity represents a controlling interest[19] given that it is fully owned by the Client. As a result, the value of the Subject Entity must be determined on a controlling basis. The benefit streams that were utilized in the application of the Discounted Cash Flow Method reflect adjustments that a controlling owner might make. The underlying economic income reflects incorporation of the growth plan as laid out by management and provides distributions to equity holders in a positive income year. As such, the application of the Discounted Cash Flow method produces a controlling value.

The Guideline Public Company Method produces a minority, marketable value. Therefore, when valuing control positions, a control premium may be necessary to add to the minority marketable value. It is mba's opinion that a 15.0% premium is appropriate and was applied to the Guideline Public Company Method.

The Precedent Transaction Method used a transaction in which controlling interests were sold. For this reason, the resulting value is a control value and no discount for control or premium for control is warranted.

Discount for Lack of Marketability

A 100.0% controlling interest is considered marketable and does not require a Discount for the Lack of Marketability. Considering Avianca Cargo is 100.0% owned by the Client, mba did not apply a Discount for the Lack of Marketability to the Discounted Cash Flow Method

The Guideline Public Company Method produces a marketable value. mba did not apply a Discount for Lack of Marketability to the Guideline Company Method.

With the Precedent Transaction Method, no reduction of value for lack of marketability is appropriate because the multiple was derived from the sale price, already reflecting any lack of marketability.

[19] Greater than 50.0% interest.

IX. CONCLUSION OF VALUE

At this point in the process of valuing a company, we must select the level of confidence or weighting we have in the values indicated by the various methods and procedures employed. The confidence-level weight is applied not to mechanize the valuation process through the application of a formula, but rather to assist the reader in understanding our informed judgment with respect to the issue of greater and lesser appropriateness of the methods employed.

The Discounted Cash Flows Method. This method treats the business as a pure investment activity and stresses the measurement of such investment on the financial return generated. We believe that this method is the most appropriate method for valuing the Subject Entity because there is a strong correlation between the Subject Entity's value and its ability to generate future operating cash flows or earnings. mba assigned a weight of 90.0% allocated to the Income Approach.

The Guideline Public Company Method. An advantage of this method is that public company data is more readily available and allows for a more practical comparison. However, as we indicated earlier, this method has limitations considering the difference in business models and product offering. Under the Guideline Public Company Method, mba calculated the market value of the Subject Entity by viewing three different multiples: EV/Revenue, EV/EBITDA, and EV/EBIT. mba considered EV/Revenue 2024 to be appropriate in coming to a Conclusion of Value, with a weight of 10.0% allocated to the Market Approach.

The Precedent Transaction Method. This method is appealing because the value determination is based on evidence from the market of the amount at which an Air Freight & Logistics company was sold. However, its comparability and similarity to the Subject Entity is limited to the same industry but with different business models, capital structures, and earnings margins. In addition, we would have liked companies more similar in size and a larger number of comparable companies to Avianca Cargo in our sample. For these reasons, we did not use this method in valuing the subject company.

The following table shows the previously described methods and resulting values, along with their weightings and the application of Discounts for Lack of Marketability and Control Premium.

(US$000)	METHOD	CALCULATION	DLOM[20]	CP[21]	INDICATION	WEIGHT
INCOME	Discounted Cash Flows	$830,133	0%	0%	$830,133	90%
MARKET	Guideline Public Company	$713,018	0%	15%	$819,971	10%
	CONCLUSION OF VALUE				**$829,116**	**100%**

[20] DLOM: Discount for the Lack of Marketability.
[21] CP: Control Premium.

Based on mba's analysis, as described in this Valuation Report, the estimated Conclusion of Value of the Subject Entity as of the Valuation Date is US$829,116,000.00.

It is important to note that this Conclusion of Value is for the Enterprise Value of the Subject Entity. This Conclusion of Value is subject to the Representation of the Valuation Analyst and the Statement of Assumptions & Limiting Conditions found in this Report. mba has no obligation to update this report or the Conclusion of Value for information that comes to attention after the Report Date.

X. RISK FACTORS

The Conclusion of Value was determined assuming key factors affecting the Subject Entity including the economic, competitive, and financing environments. In the event any of these key factors affecting the Subject Entity or Subject Interest materially diverge in the future from underlying assumptions, valuation results would be expected to change accordingly. Several of the major risks associated with these valuations are outlined below.

Economic Risks

The valuation is based on current economic conditions regarding global and regional economies. As stated earlier in the report demand for air transport service is highly cyclical and is strongly correlated with economic trends. Therefore, a downturn in the global economy could have a negative impact on demand for passenger and freighter services. Likewise, increased prosperity would have a positive effect on personal incomes, causing a rise in passenger traffic and therefore demand for aircraft. As the air transport industry experiences these variances, the value of the Subject Entity could witness similar phenomena.

Geopolitical Risks

There are operational risks assumed by the Subject Entity regarding the regions in which it operates. Should there be prolonged political tension or terrorist activity in regions of operation that affect the financial results of, operational capability of, or demand for shipping, and subsequently impacts the Subject's Ability to transport cargo, the value of the Subject Entity could be negatively impacted.

Fuel Cost Risks

The cost of fuel is one of the largest and most volatile expenses incurred by an airline. Recent history has witnessed a fuel market characterized by generally decreasing prices due to various market factors. Increases in the cost of fuel will increase the total operating expenses, and without the addition of surcharges or other revenue recovery initiatives to offset the additional cost, the profitability the Subject Entity will lessen. This decrease in profitability would, in turn, have a negative impact on the Conclusion of Value. In the same manner, a decline in fuel prices will decrease airlines' operating expenses, increasing profitability and also giving a positive boost to the Conclusion of Value.

Competitive Risks

Potential Subject Entity customers have many alternatives in the air shipping market, including the bellies of passenger airliner, and other dedicated leasing companies such as the comparable companies identified earlier in the report. There are many comparable air cargo operators, including those privately held or part of a larger institution.

XI. STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

1. The Conclusion of Value arrived at herein is valid only for the stated purpose as of the Valuation Date.

2. Financial statements and other related information provided by the Subject Entity or its representatives in the course of this engagement have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. mba has not audited, reviewed, or compiled the financial information provided to us and, accordingly, expresses no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources mba believes to be reliable. However, mba makes no representation as to the accuracy or completeness of such information and has performed no procedures to corroborate the information.

4. mba does not provide assurance on the achievability of the results forecasted by the Subject Entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

5. The Conclusion of Value arrived at herein is based on the assumption that the current level of management expertise and effectiveness will continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. The Valuation Report and its Conclusion of Value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The Conclusion of Value represents the considered opinion of mba, based on information furnished to mba by the Subject Entity and other sources.

7. The Valuation Report and its Conclusion of Value will not be disseminated by the Subject Entity or by any of its agents to other firms considered to be competitors to mba in the airline route valuation field without the prior express written approval of mba.

8. Future services regarding the subject matter of this Valuation Report, including but not limited to testimony or attendance in court, shall not be required of mba unless previous arrangements have been made in writing.

9. mba has not determined independently whether the Subject Entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. mba's valuation takes no such liabilities into account, except as they have been reported to mba by the Subject Entity or by an environmental consultant working for the Subject Entity, and then only to the extent that the liability was reported to mba in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to mba, mba has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. No change of any item in this Valuation Report shall be made by anyone other than mba, and mba shall have no responsibility for any such unauthorized change.

11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the Subject Entity due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

12. mba has corresponded with the current management of the Subject Entity concerning the past, present, and prospective operating results of the company.

13. mba has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

XII. REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the Valuation Date, to the best of mba's knowledge and belief, that:

- The analyses, opinions, and Conclusion of Value included in the Valuation Report are subject to the specified Assumptions and Limiting Conditions and are the personal analyses, opinions, and Conclusion of Value of the valuation analyst.
- The valuation analyst is unrelated to the Subject Entity and has no current or expected interest in the Subject Entity or its assets.
- The Valuation Report was prepared for the purpose stated therein. The Valuation Report is not intended to be and should not be used for any other purpose.
- The valuation analyst has no obligation to update the Valuation Report or the Conclusion of Value for information that comes to his or her attention after the date indicated above.
- The valuation analyst's compensation for the Valuation Engagement is in no way contingent on the outcome of the valuation.
- This report represents mba's opinion as to the value of the Subject Entity and is intended to be advisory only and is not given for or as an inducement for any specific financial transaction. Therefore, mba assumes no financial responsibility or legal liability for decisions or actions taken or not taken by the Subject Entity or any other party with regard to the Subject Entity. mba accepts no responsibility for damages, if any, claimed by a third party as a result of decisions or actions taken based on the information contained in this report. By accepting this report, all parties agree mba shall bear no such responsibility or legal liability. mba consents to the use of this appraisal report as required by the terms in the indenture.

PREPARED BY:

Anala Ravinarayan
Director | Airline & Airport Services
mba Aviation

January 13, 2025

REVIEWED BY:

Anne Agnew Correa, CVA
Senior Vice President | Airline & Airport Services
mba Aviation

ANNEX B — MBA AVIATION APPRAISAL REPORT OF LIFEMILES, LTD. LOYALTY PROGRAM

[Attached]

Valuation of:

Avianca Group International Limited's Loyalty Program: LifeMiles, Ltd

Client:

Avianca Group International Limited

Date:

January 13, 2025

Headquarters:

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TABLE OF CONTENTS

I. VALUATION SUMMARY

VALUATION SUMMARY

CLIENT / COMPANY	Avianca Group International Limited
SUBJECT ENTITY	LifeMiles, Ltd. Loyalty Program
PURPOSE OF VALUATION	Consideration for Financial Agreement
STANDARD OF VALUE	Owner's Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	January 2, 2025
VALUATION APPROACHES	Income Approach
VALUATION METHODS	Discounted Cash Flow Method
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	US$3,177,658,000

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation (mba) was engaged by Avianca Group International Limited (Avianca, the "Client," or the "Company") to estimate the value of Avianca's loyalty program, LifeMiles, Ltd. (LifeMiles, or the "Subject Entity") as of January 2, 2025 (the "Valuation Date"). mba understands the Conclusion of Value will be for the Subject Entity's Enterprise Value.

It is understood by mba that the Conclusion of Value may be used by the Client in connection with potential financial agreement. mba understands that this report may be provided to agents, lenders, noteholders, and other parties in connection with such financial agreement. This Valuation Report was prepared solely for the purpose described in this paragraph and, accordingly, should not be used for any other purpose. This Report should not be distributed to any party other than the Client or the agents, lenders, noteholders, and other parties in connection with any such transaction without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Entity as of the Valuation Date. For the purpose of this valuation, historical financials and other information covering the results of the Subject Entity's operations were used, including estimates provided by the Client for operations through the Valuation Date. It is mba's understanding that this information represents the most complete and reliable financial information available as of the date of this report. In this valuation, mba considered only circumstances that existed as of, and events that occurred up to, the Valuation Date. However, events occurring after the Valuation Date but before the date of this report (i.e., subsequent events) were taken into account to the extent that they were indicative of conditions that were known or knowable as of the Valuation Date.

Standard & Premise of Value

Two important concepts mba considered before beginning this Engagement were the applicable Standard of Value and Premise of Value. Standard of Value deals with the definition of value or the type of value being proffered. Numerous Standards of Value exist and may be applicable for a particular valuation, depending on the purpose of that engagement. For this valuation, the applicable Standard of Value is Owner's Value. Owner's Value deals with the value of the asset to the current owner, given the owner's current use of the asset.

Premise of Value deals with the "how" in a transaction. The valuation premise may be either in-use or in-exchange, with the determining factor being the highest and best use. In this case, the Conclusion of Value is based on an in-use valuation premise of Going Concern, which assumes that the Subject Entity will continue to be operated into the future by the Client.

Scope of the Valuation Engagement

In *Revenue Ruling 59-60*, the IRS set forth the following factors to consider in the valuation of a closely held business. mba has considered each of these factors in this valuation.

- The nature of the business and the history of the enterprise from its inception;
- The economic outlook in general and the condition and outlook of the specific industry in particular;
- The financial condition of the business;
- The earning capacity of the business;
- The dividend-paying capacity; and
- Whether or not the enterprise has goodwill or other intangible value.

mba's scope of work included but was not necessarily limited to, the following:

- Discussions with management concerning the assets, financial and operating history, and forecasted future operations of the Subject Entity;
- Analysis of historical financial statements and other financial and operational data concerning the Subject Entity;
- Research concerning the Subject Entity, its financial and operating history, the nature of its products, services, and technologies, and its competitive position in the marketplace;
- Research and analysis concerning comparable public companies and transactions involving comparable companies;
- Research and analysis on the industry segment in which the Subject Entity operates;
- Research and analysis on current economic conditions and the outlook for the relevant economies; and
- Analysis and estimation of the value of the Subject Entity as of the Valuation Date.

Sources of Information

The principal sources of information utilized in conducting this analysis were as follows:

- Interviews with Subject Entity;
- Financial statements for the years ended 2019, through Q3 2024;
- Forecasted financial statements prepared by the Subject Entity;
- Subject Entity corporate presentation;
- Subject Entity website;
- OAG Schedules data;
- Statistics, studies, forecasts, and articles regarding the industry in which the Subject Entity operates and the economic environment; and
- mba's internal data and values for the assets held by the Subject Entity.

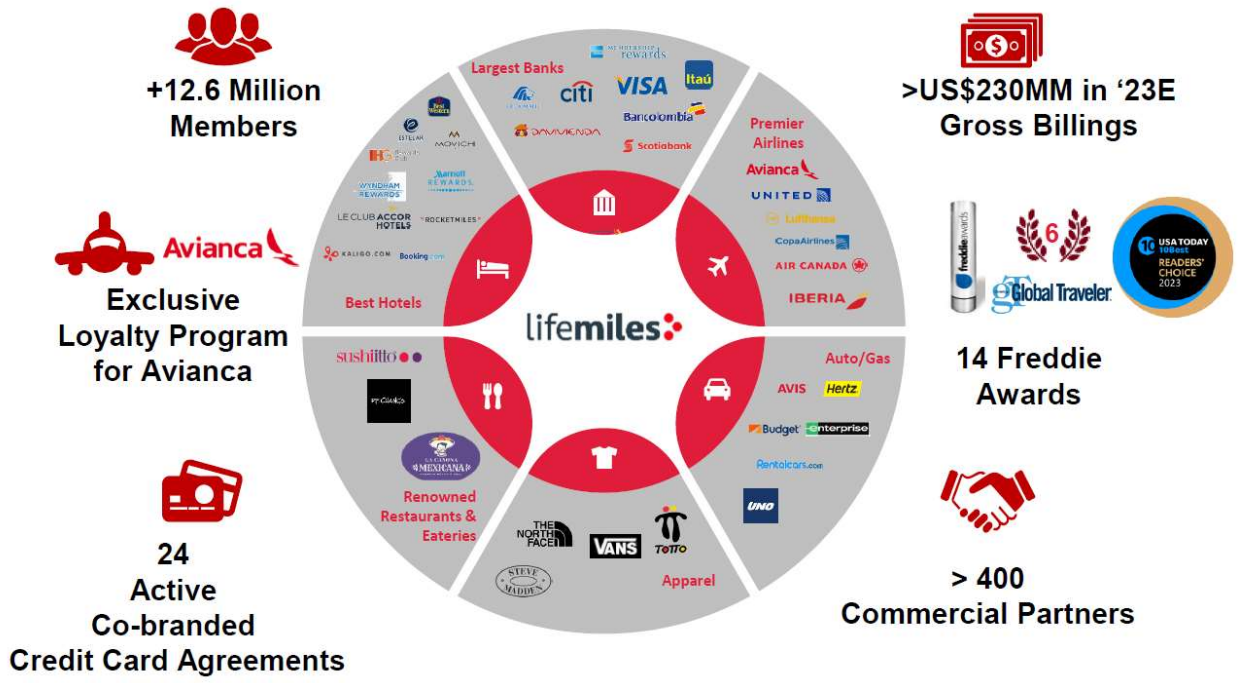
Financial and other pertinent information provided to mba by the Subject Entity has been accepted without further verification. mba did not audit, review, compile, or attest under the AICPA Statements on Standards for Attestation Engagements (SSAEs) to any financial information derived from those sources, and mba, therefore, assumes no responsibility for any such financial information.

Refer to Section XI for a complete list of Assumptions & Limiting Conditions applicable to this Valuation Report. Certain specific assumptions and limiting conditions may be cited in the body of this report.

III. SUBJECT ASSET OVERVIEW

Nature, Background, & History

Avianca Group's Loyalty Program is operated by LifeMiles Ltd, which became 100.0% owned by Avianca in 2021. LifeMiles, one of the region's largest loyalty programs, facilitates the accrual and redemption of miles, for both Avianca and a wide network of commercial partners, including other airlines, banks, fashion retailers, restaurants, and more. LifeMiles has more than 12 million members and 400 commercial partners worldwide, increasing customer loyalty and attracting new customers to the airline while representing an important source of profitability and cash flow for Avianca Group. Its primary markets are Colombia, Central America, the United States, and Ecuador.[1]



LifeMile's growing member base is located in more than 217 countries worldwide. Sixty-seven percent of members are located in the target markets of Colombia, Ecuador and Central America. LifeMiles is the only loyalty program with privileged access to Avianca's seat capacity, and in return, Avianca rewards its customers with the LifeMiles currency subject to exceptions. The exclusive and strategic relationship between Avianca and LifeMiles is in place until 2040.

[1] Investor Relations, avianca.com

Strategy

Indirectly, LifeMiles contributes to the strength of the primary business of Avianca in key commercial markets and supports yields through miles-based voluntary up-sell incentives. More directly, loyalty generates financial value principally through the commercialization of miles. A significant majority of miles commercialized through partners are sold to banks. There are 24 co-branded credit and debit card partner banks and active mileage conversion agreements with approximately 80 financial institutions. In the case of Avianca, the airline decides how many miles it will reward its customers based on several factors, such as the route flown, the fare or family fare purchased, and the elite status of the customer, among others.

LifeMiles is focused on growing while protecting profit and cash flow. LifeMiles plans to achieve this through actively pursuing initiatives that increase membership and member engagement. Recent strategic initiatives include:

- **All Miles Count toward Elite Status** – All miles earned count towards Elite Status, giving strong incentive to accure outside of air travel.
- **Member Direct Sales** – 2 x 1 member direct promotions in recent history have exceeded expectations, with +3x overperformance vs. budget. Success mainly reflects the reopening of routes from North America to Asia & strong demand for reward travel to Europe.
- **Double Welcome Bonus Miles Promo** – To drive placement of new cobranded credit cards in Colombia, LifeMiles matched new cobrand welcome bonus miles (subject to meeting certain spend targets).
- **Club LifeMiles** – Club LifeMiles is a subscription service that allows members to make recurring purchases for miles. Avianca LifeMiles Visa card holders who join Club LifeMiles can earn up to 2x miles earned on their cobranded cards.
- **VIP Lounges** – Status Elite cobrand card holders have access to the lounges. LifeMiles members can redeem miles to access to lounges at attractive values. Cobrand placements in lounges with key banking partners.

Loyalty members contribute disproportionately to revenue compared to non-members. LifeMiles reports members of its loyalty program may spend 15.0-25.0% more per booking, confirming them as some of the most valuable customers. LifeMiles strategy and structure is designed to make members feel rewarded, encouraging repeat business and higher expenditure.

Competition

Focusing on the operators that directly compete in Avianca's target and core markets, the majority are domiciled in other countries and regions. Latin America's largest loyalty programs are LATAM Pass, Smiles, Tudo Azul with 48, 22 and 21 million members each, respectively. Only LATAM Pass has significant network overlap with LifeMiles. The top 20 competitors and their programs, or lack thereof, are listed below with the number of seats and frequencies they have scheduled within the core and target markets for 2024.

PROGRAM	CARRIER	COUNTRY	LCC	SEATS	FREQUENCIES
LIFEMILES	Avianca	Colombia		41,990,221	232,459
DOTERS	Vivaaerobus	Mexico	✓	29,731,616	149,009
V.CLUB	Volaris	Mexico	✓	29,049,094	145,102
AEROMEXICO REWARDS	Aeromexico	Mexico		25,043,307	170,804
LATAM PASS	LATAM	Chile		16,675,875	97,993
CONNECTMILES	Copa Airlines	Panama		13,060,082	81,728
AADVANTAGE	American Airlines	USA		7,863,276	50,748
MILEAGE PLUS	United Airlines	USA		6,305,428	41,640
SKYMILES	Delta Air Lines	USA		3,459,268	19,408
CONNECTMILES	Aero Republica	Colombia		3,251,466	17,481
AADVANTAGE	Jetsmart	Chile	✓	3,110,752	16,669
-	CLIC AIR S.A.	Colombia		2,379,230	33,989
WESTJET REWARDS	Westjet	Canada		2,337,722	12,825
AEROPLAN	Air Canada	Canada		2,134,948	11,026
FREE SPIRIT	Spirit Airlines	USA	✓	2,062,003	10,818
RAPID REWARDS	Southwest	USA	✓	1,726,400	11,040
MILEAGE PLAN	Alaska Airlines	USA		1,577,646	9,408
TRUEBLUE	JetBlue	USA	✓	1,525,921	8,905
-	SATENA	Colombia		1,323,810	27,130
WESTJET REWARDS	Sunwing Airlines	Canada	✓	1,151,199	6,091

Source: OAG Schedules Data, FY 2024, as of December 2024, mba Aviation analysis.

Management Team

As of the Valuation Date, the Subject Entity had a management team in place who collectively possessed a significant amount of expertise within the aviation industry and who mba believes is well qualified to achieve strategic and financial goals. A description of the management team is presented below.

	SUBJECT ENTITY MANAGEMENT
MATT VINCETT CHIEF EXECUTIVE OFFICER	Mr. Vincett joined Avianca Loyalty / LifeMiles as Chief Executive Officer in 2010. Prior to joining LifeMiles, Mr. Vincett worked at Taca Airlines as the Director of Strategy & Business Development in 2003, where he progressed through the positions of Vice President Regional Airlines and Vice President Commercial. Mr. Vincett started his career at A.T. Kearney from 1997 to 2003. Mr. Vincett graduated from the University of Western Ontario – Huron University College, where he received a Bachelor of Arts, Psychology & Philosophy. In 2001, he received a Master of Business Administration from INSEAD.
NICOLAS ALVEAR CHIEF FINANCIAL OFFICER	Mr. Alvear has been with the Avianca Group for nearly eight years. As CFO of LifeMiles, he successfully led strategies that have enabled LifeMiles to strengthen its financial structure, making it one of the largest and most recognized loyalty programs in Latin America. Before joining the Avianca Group, he had over eight years of experience in investment banking and securities groups. His academic background includes a Bachelor of Arts in Economics and Operations Research from Columbia University and a Master of Business Administration from the Wharton School of the University of Pennsylvania.

Corporate Structure & Ownership

As of 2021, LifeMiles is a wholly owned subsidiary of Avianca Group. In August 2015, Avianca sold a 30.0% stake in LifeMiles to Advent for US$343.7 million and, in connection with this transaction, LifeMiles declared a dividend of US$41.0 million in favor of Avianca Holdings prior to the execution of the transaction. In 2020, Avianca acquired 19.9% out of Advent's 30.0% equity stake in LifeMiles (with an option to purchase the remaining 10.1%). In 2021, Avianca Group acquired the remaining 10.1%, resulting in a 100.0% ownership interest.

IV. FINANCIAL ANALYSIS

The full-year financial statements were provided to mba and are summarized below.

US$ MILLION	2019	2020	2021	2022	2023	2024E	2025F
REVENUE	$337	$119	$192	$179	$257	$300	$377
REVENUE GROWTH, Y/Y		-64.6%	61.1%	-7.1%	43.7%	16.8%	25.8%
EBITDA	$121	$16	$50	$13	$78	$89	$121
EBITDA MARGIN	36.0%	13.2%	25.9%	7.5%	30.4%	29.7%	32.0%

Note: Figures are displayed under IFRS accounting standards.

Gross Billings

LifeMiles revenue comes primarily from the sale of miles, which are referred to as "Gross Billings." These can be grouped into four types: Financial, Air, Direct to Members, and Others. Financial includes co-brand credit agreements and miles conversion agreements with banks. The network of commercial partners use LifeMiles as their own loyalty program or currency, some partners issue co-branded credit cards. Air are points purchased by LifeMiles' air partners, such as Avianca and other airlines. Direct to Members are points purchased by members. Others includes miles sold to commercial partners that use LifeMiles as their own loyalty program or currency.

GROSS BILLINGS (% SHARE)

BY TYPE	2023	2024E
FINANCIAL	60.1%	57.3%
AIR	16.3%	19.0%
DIRECT TO MEMBERS & OTHERS	25.9%	27.3%

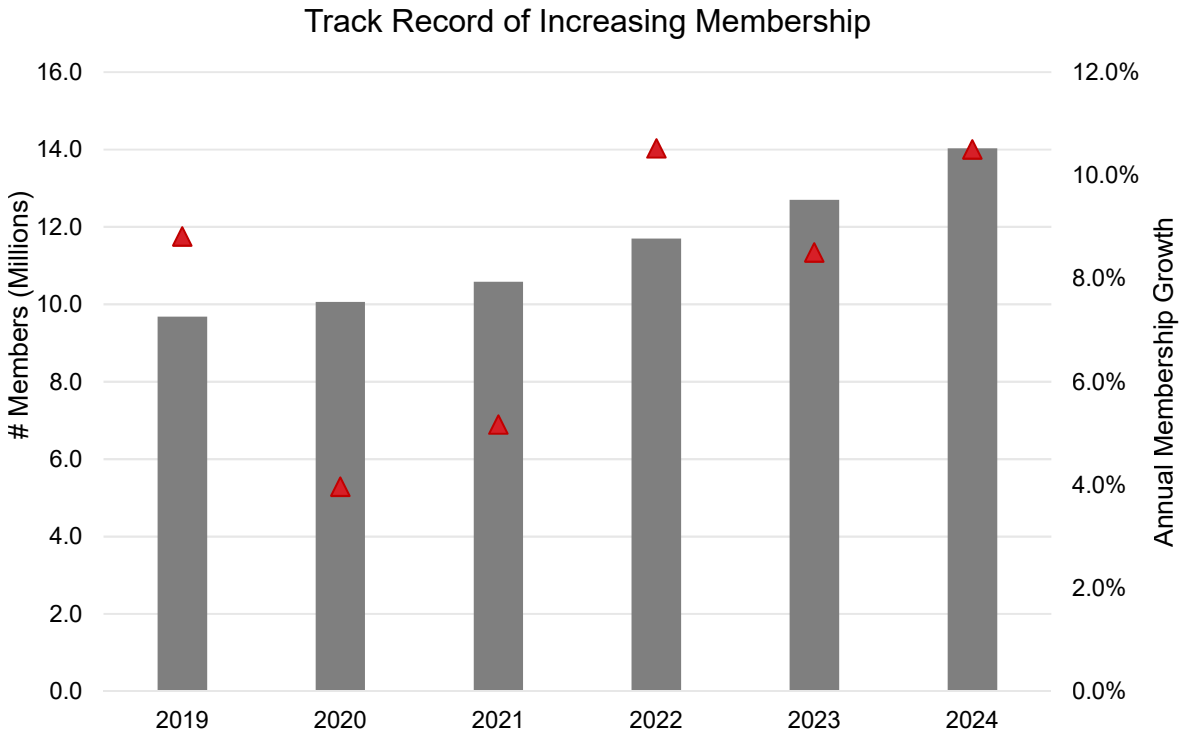
Approximately 16.0% of LifeMiles points accrued by members are not used before they expire; this is considered Breakage. Breakage revenue is recorded based on a metric called "redemption ratio," which represents a proportion of redemptions in the period to total miles outstanding expected to be redeemed. This revenue has no associated redemption cost.

Expenses

LifeMiles' expenses can be grouped in reward costs and overhead costs. Reward costs represent approximately 80.0% of LifeMiles' cost base and the biggest reward cost was airline tickets, in which LifeMiles is required to pay Avianca for tickets redeemed by LifeMiles members to fly on Avianca or any of its partners. Other reward costs include hotel nights, rental cars, tours, and merchandise via the LifeMiles Rewards Catalog, among others. Overhead costs include but are not limited to investments in marketing, operational costs, and information technology costs and salaries.

Operating Growth

Since 2019, LifeMiles membership has experienced consistent growth despite the pandemic. In the last five years, LifeMiles has seen compounded annual growth of 7.7%.



Source: Subject Entity provided operating metrics.

Note: Figures as of 3Q 2024.

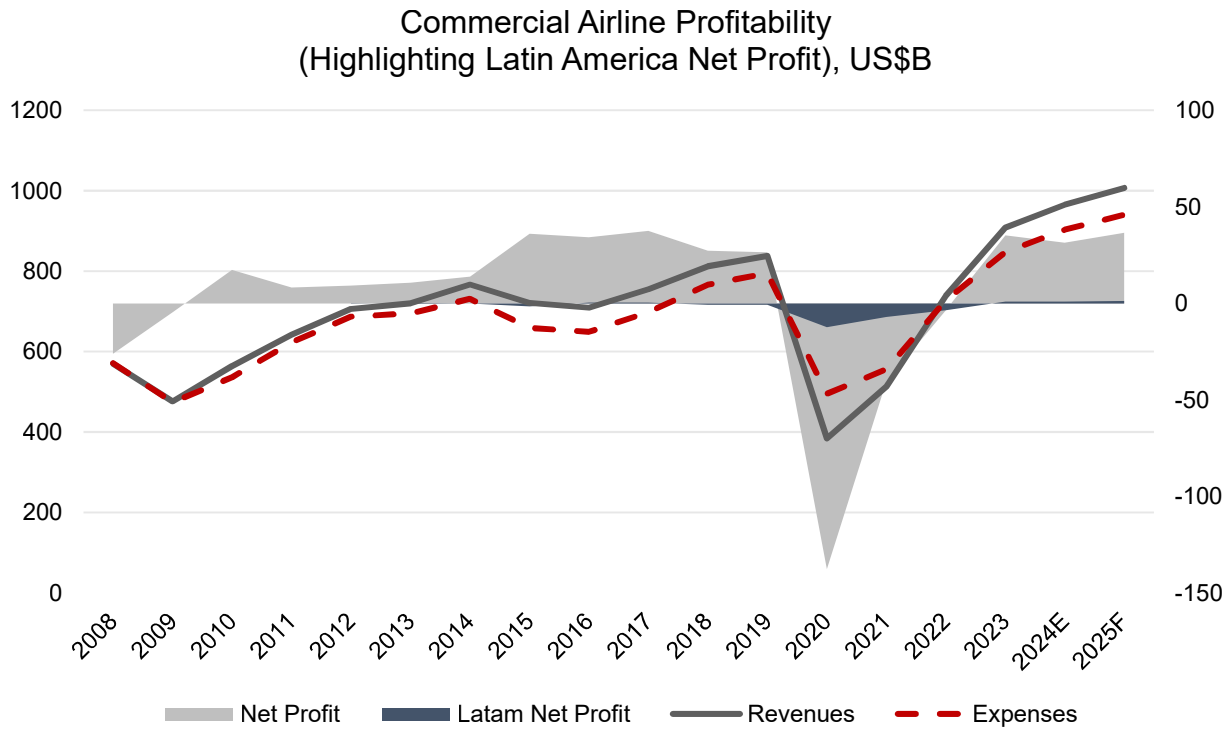
V. AVIATION INDUSTRY OVERVIEW

Industry Profitability

The air transport industry is expected to report a relatively strong profit in 2024 despite rising costs and limits on capacity building. Airlines have faced wage increases and higher operating costs, some because of the longer routes imposed by airspace restrictions. A major impact stems from delivery delays and other issues in the supply chain. Airlines are forced to keep flying older airplane models, which negatively affects fuel efficiency and increases maintenance costs. The bottom line is projected to generate a net profit of US$31.5 billion in 2024 with a 3.3% net profit margin.

In 2025, airlines' revenues are expected to surpass the evocative US$1 trillion mark. The top-line growth and lower fuel prices should translate into higher profitability. IATA forecasts a net profit of US$36.6 billion—a record high for the industry—at a still meager 3.6% net profit margin. Load factors will likely remain high as supply chain issues continue to impact 2025 and beyond.

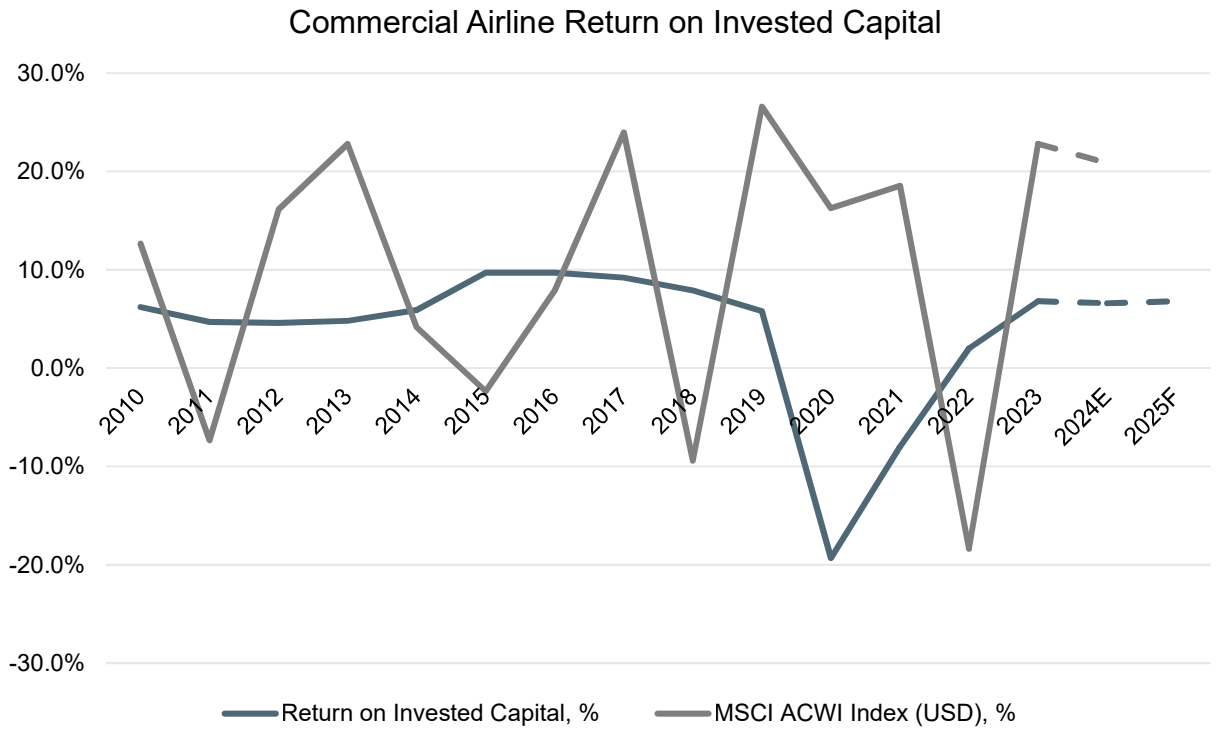
The graph below displays profitability numbers for the global airline industry as per IATA.



Source: IATA Update as of December 2024, mba Aviation Analysis

Return on Invested Capital

The stability in airline margins and ROIC leading up to 2019 was driven by a strong economy, allowing unit cost increases to be recovered through higher load factors and some rise in yields. After reaching a low in 2020, the industry's financial performance has risen in line with traffic volumes. With ROIC turning positive again in 2022 at 2.0%, the metric is improving and is expected to increase to 6.6% in 2024. The graph below presents airline industry ROIC compared to annual returns for MSCI's ACWI index, which is a global equity index capturing both developed and emerging markets.

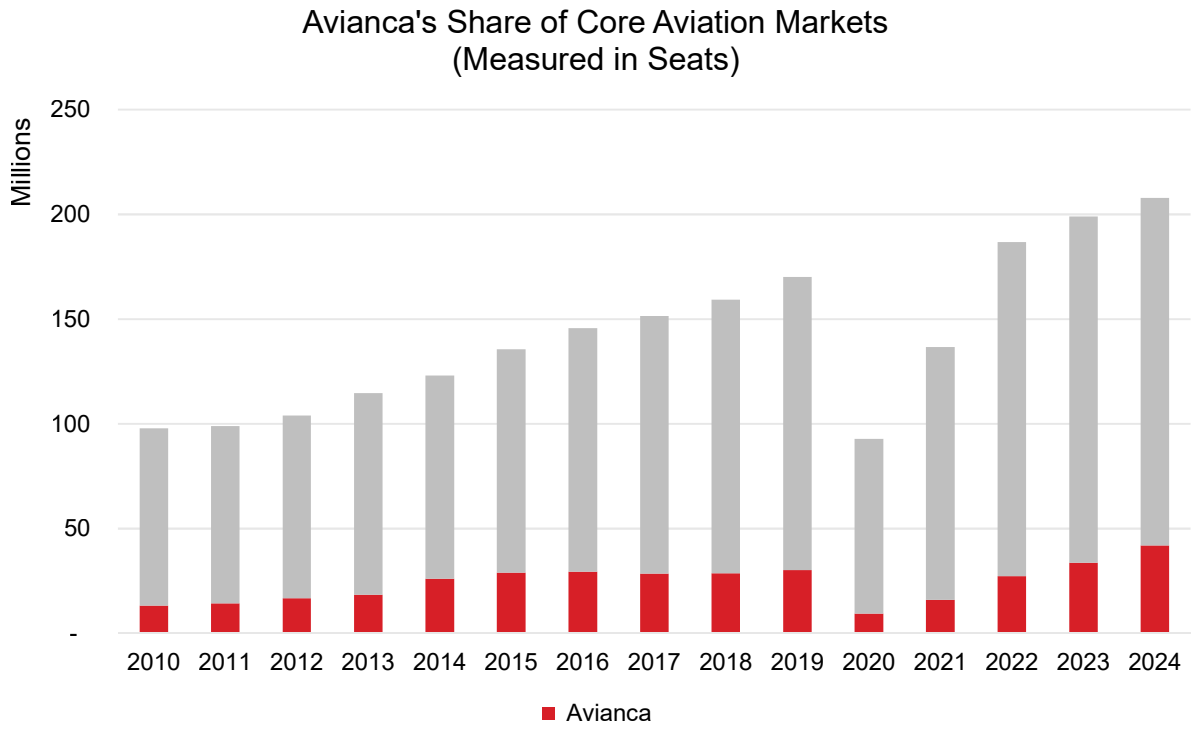


Source: IATA Update as of December 2024, MSCI (YTD Data as of Nov 29, 2024)

Latin American Market Overview

According to the United Nations, over half of the Western Hemisphere's inhabitants reside in the 33 countries comprising Latin America and the Caribbean—an estimated population of 670 million in 2024. Across those countries, there are 151 airlines and 531 airports with scheduled services in September 2024.[2] Notably, almost half of international capacity operates to other destinations within Latin America, while nearly 40.0% operates to North America. Growth is strong across the continent, with 39 million seats this September—a 5.0% increase from September 2023. However, there are differences at the regional level. Countries in Upper and Lower South America are experiencing growth while capacity in the northern part of the continent, the Caribbean and Central America, is contracting.

The traffic in the Subject Region is expected to grow 3.5%–5.6% annually over the next 20 years. Colombians still have a low propensity to travel with an average trip per capita at 0.7 in 2023.[3] Avianca[4] has maintained an average 52.1% market share of the Colombian aviation market, measured in seats, for the last decade. Avianca's market share has been on average 17.0% when expanding to all core and target markets.[5]

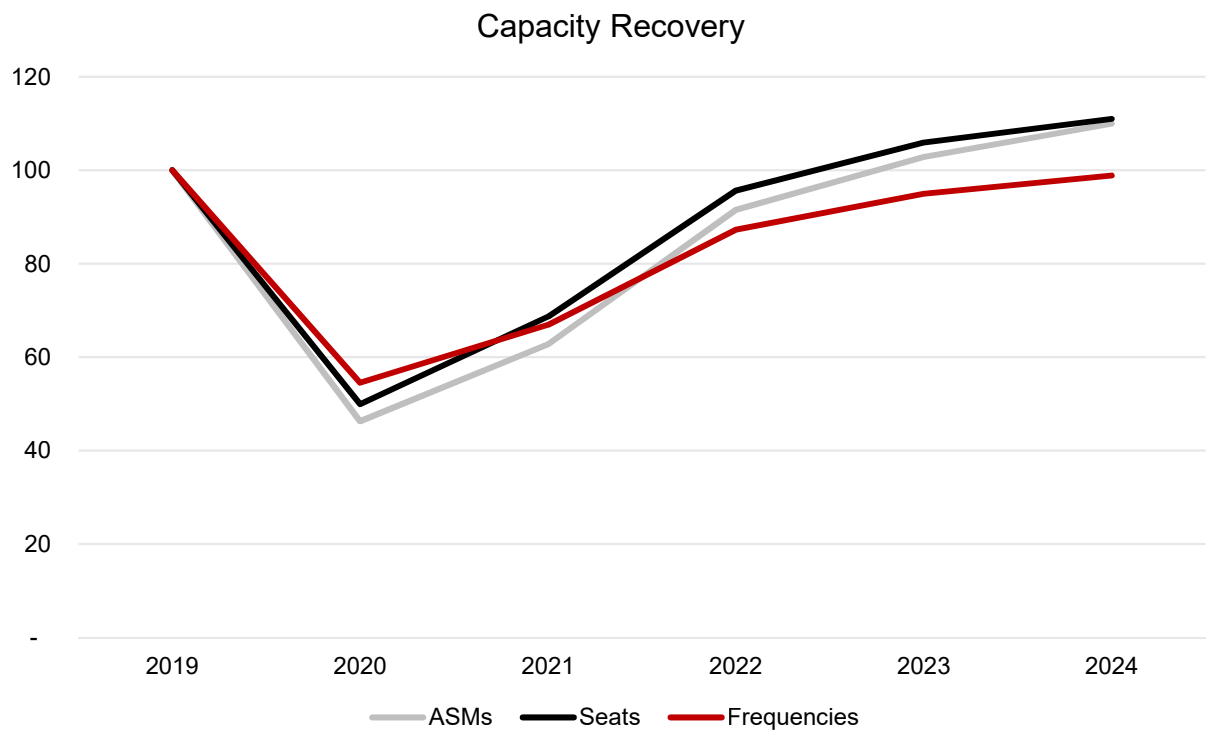


Source: OAG Schedules Data, Full Year 2024 unless otherwise stated; Data as of December 2024; mba Aviation Analysis

[2] OAG.
[3] Airbus's Global Market Forecast 2024–2043 and Boeing's Commercial Market Outlook 2024–2043.
[4] Avianca experienced financial restructuring between 2020 and 2021 but has operationally retained the name Avianca. Seats measured is an operational metric.
[5] Core market is Colombia, Target markets include Ecuador and all of Central America.

Capacity Analysis

Commercial aviation in Latin America and the Caribbean (LAC) recorded 451.6 million air passengers in 2023, a historic number for the region, according to the Latin American and Caribbean Air Transport Association (ALTA). This represents an additional 52.9 million passengers, up 13.3% compared to 2022 and a solid 3.9% above 2019 levels. Latin American carriers are flying 10.0% more ASMs than before the pandemic. They are offering 11.0% more seats on 1.1% fewer flights. This can be explained by an emphasis on operational efficiency and aligning capacity with market demand while addressing aircraft constraints due to delivery delays.



Sources: OAG Schedules Data, Data as of December 2024; mba Aviation Analysis

VI. LOYALTY PROGRAMS OVERVIEW

Originally designed as marketing tools for rewarding customers, loyalty programs have expanded in size and scope since inception. In 1981, American Airlines was the first airline to institute a loyalty program, AAdvantage®. In the intensely competitive post-deregulation environment, other airlines quickly saw the rationale of compelling customer loyalty through a loyalty program and followed American Airlines' lead. Four years later, to lure additional business and gain product visibility, the first mileage accrual relationship was formed between a credit card company and an airline.

Loyalty program revenues and costs of goods sold can generally be broken down into the following types:

	TYPE	INCLUDES
REVENUE	Air Billings	*Points sold to airline and air partners*
	Banking, Retail & Services Billings	*Points sold to program partners, including co-branded credit cards and retail & service partnerships*
	Breakage	*Expired points, never redeemed*
	Other	*Hedging or other interest income*
COST OF GOODS SOLD	Air Redemption	*Cost to purchase air ticket or ancillary from air partners*
	Product Redemption	*Cost to purchase products from program partners*
	Other	*Fees, commissions, product taxes, etc.*

Most of the profits derived from loyalty programs come from the bulk purchases of miles or points made by large banks, hotels, car rental companies, and other associated businesses. Subsequently, these points are used by the banks' loyalty programs to reward their customers. Since these sorts of arrangements between airlines, major banks, and other businesses have become commonplace, it is logical to assume that the total value of loyalty programs globally has the potential to reach hundreds of billions of dollars in aggregate.

As attitudes about loyalty programs and their value to both the airlines and consumers evolve, the industry finds itself in a situation where the points accumulation systems are different at each airline. Delta Air Lines and United Airlines led the way among the legacy carriers in switching their loyalty programs to spend-based programs. The major low-cost carriers (LCC) also tend to prefer spend-based programs, though this attitude is not universal. It is important to note that, even at those carriers that retain mileage-based loyalty programs, award levels are typically higher for those passengers who opt to either spend more for a ticket or travel in a higher class of service. The airlines' loyalty program points accumulation systems have the power to change consumer behavior significantly. Because spend-based programs reward the customers who pay the most for their tickets, these sorts of loyalty programs have a disproportionately negative impact on the accumulation of mileage or points by leisure travelers. Conversely, spend-based loyalty programs have a significantly positive impact on the frequent business traveler's potential to accumulate a sizeable mileage or points balance.

Loyalty Program Management

There are four management options for loyalty programs at airlines today: simple internalized loyalty programs, loyalty programs that are separate business units, partially floated loyalty programs, and fully spun-off entities. Globally, a sizable percentage of airline loyalty programs is relatively underdeveloped. These internalized programs have not yet matured past a stage that focuses purely on passenger loyalty to enhance an air carrier's traditional business. The advantage of these relatively simple programs is that they are fairly inexpensive to manage and can exist in an environment of limited resources. The principal disadvantage of these limited-scope loyalty programs is that they don't directly produce revenues; since they are focused purely on organic growth, it is difficult for internalized loyalty programs to attract partners that can provide additional ancillary revenue streams.[6] Many of these airlines will likely look to enhance the structure of their loyalty programs to realize more stable streams of revenue.

Loyalty Programs by Region

As of September 2024, there were 220 loyalty programs. The basic system is common to all programs: members must enroll in the scheme—mostly free of charge—and accrue points (with miles being the standard unit) every time a member flies or uses services of co-branded partners. As soon as a specified number of points are achieved, they can be exchanged for a reward. Loyalty programs are a very important marketing tool, it is not a surprise that most airlines have their own.

PROGRAMS BY REGION	# OF LOYALTY PROGRAMS
ASIA	89
EUROPE	44
AFRICA	37
NORTHERN AMERICA	24
LATIN AMERICA & CARIBBEAN	18
OCEANIA	8

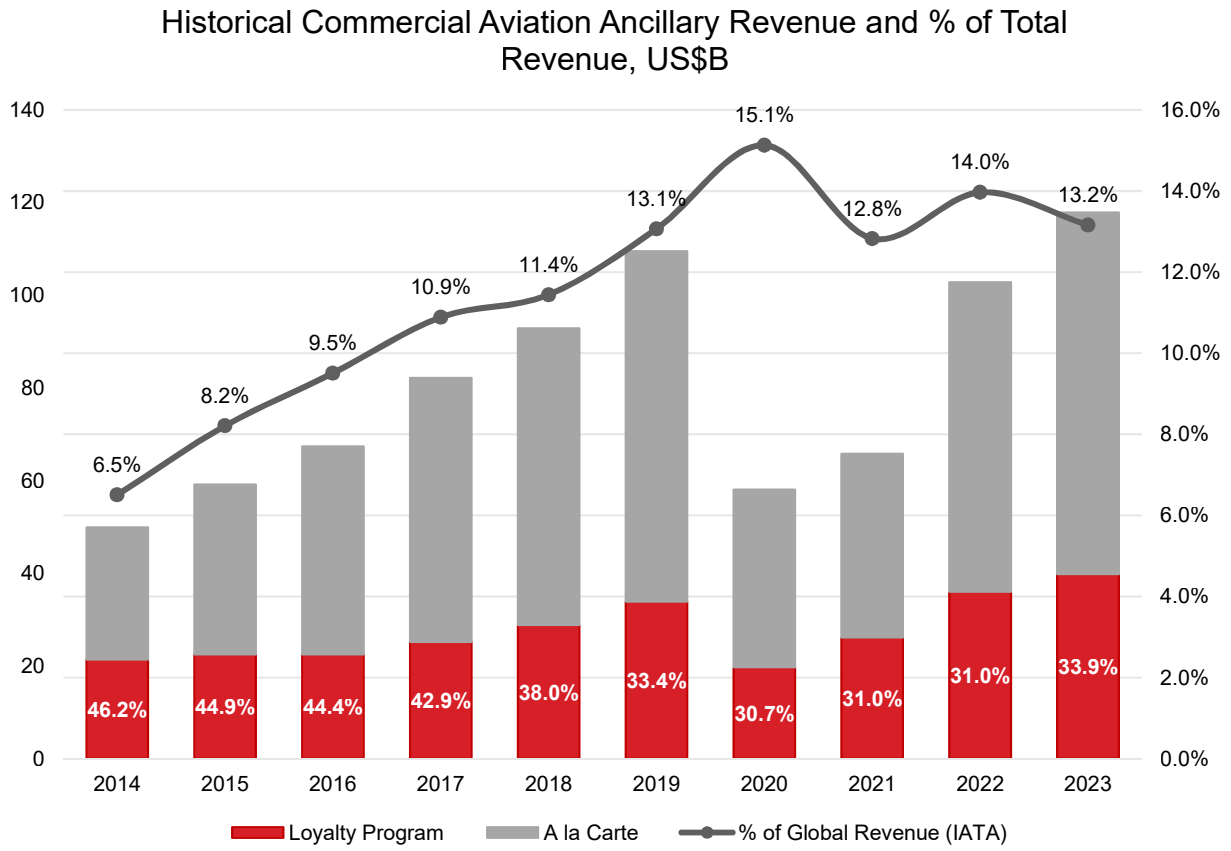
Source: Global Flight

Of the 89 different programs in Asia, 15 are in China. In Europe, the highest concentration of programs is in Russia, which has nine different programs, and both France and Spain, which are tied with five programs each. In Africa, Nigeria has five different airline loyalty programs, while the remaining programs in Africa vary. Latin America maintains 18 loyalty programs, led by Brazil and Mexico, each with three. Northern America's programs are split with 16 in the U.S. and eight in Canada. Oceania's eight programs are primarily in Australia, New Zealand, and French Polynesia.

[6] Ernst & Young Advisory. ***Frequent Flyer Program: Ready for take-off.*** Ernst & Young Advisory. Web. 2014.

Loyalty Program Revenue

Loyalty program revenues are considered a part of ancillary revenues for most airlines. Ancillary revenues are revenues beyond the sale of tickets that are generated by direct sales to passengers or indirectly as a part of the travel experience. Globally, airlines earned an estimated US$117.9 billion in ancillary revenues in 2023; loyalty program revenues accounted for US$39.8 billion, or 33.8% of ancillary revenues. Over the last ten years, revenues have increased at a compounded annual rate of 12.6% and 9.4% for ancillary and loyalty programs, respectively.



Sources: IATA, 2024 CarTrawler Yearbook of Ancillary Revenue by IdeaWorks Company, mba Aviation Analysis

Loyalty Program Transactions

In 2005, Air Canada spun off 12.5% of its loyalty program, Aeroplan, gradually selling stakes in the program until its ownership was completely under a separate company. The resulting company, Aimia Inc. (Aimia), acquired other loyalty programs and made monetizing those products its core business. While the sale of Aeroplan did allow Air Canada to access much-needed capital to stay afloat, it robbed them of the ability to use their loyalty program as a source of ancillary revenue. Realizing that this arrangement placed them at a significant competitive disadvantage, Air Canada signed a definitive agreement in November 2018 to buy back the Aeroplan loyalty program from Aimia Inc. for US$450 million in cash. Under the deal, Air Canada assumed US$1.9 billion of Aeroplan miles liability.[7]

In 2010, TAM offered shares of its loyalty program, Multiplus, to the public. TAM sold 27.3% of its share in Multiplus, which is classified as a partial spin-off. A partial spin-off is managed, sells stock, and reports earnings separately from the respective carrier, but the airlines themselves retain a majority stake. This allows the airlines to raise additional capital via the markets while still retaining the ability to garner some revenue from their programs. In 2019, LATAM bought back the outstanding shares from the market to make Multiplus private.[8]

In 2010, Aeromexico sold 28.9% of its loyalty program, Club Premier, to Aimia. A year later, Aimia acquired an additional 20.0% equity participation in Club Premier. After closing, Aimia's and Grupo Aeromexico's equity participations in Club Premier were 48.9% and 51.1%, respectively.[9] In 2022, during Aeromexico's Chapter 11 bankruptcy process, Aimia divested its 48.9% stake, bringing Club Premier under the full control of Aeromexico once again.

GOL went even further with its Smiles IPO in 2013, retaining only a 57.0% total stake.[10] While airlines are able to raise capital via a public offering, these arrangements mean that they cannot access the entirety of the profits from their loyalty program programs to use for growth or to cover expenses in an economic downturn. It is worth noting that the holding companies for the loyalty programs trade at consistently higher values than the airlines themselves. In 2021, GOL announced the reintegration of Smiles and the delisting of the subsidiary.[11] The recent buybacks from the different airlines show a combination of the strength of revenue generation in loyalty programs and the cash flexibility desired by the airlines.

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[7] https://www.cbc.ca/news/business/air-canada-aeroplan-aimia-1.4920551.
[8] https://www.reuters.com/article/us-multiplus-delisting/chiles-latam-airlines-to-conclude-305-million-deal-to-delist-loyalty-program-firm-multiplus-idUSKCN1RZ1BH.
[9] https://www.clubpremier.com/us/about-us/releases/aeromexico-and-aimia-announce/.
[10] Ernst & Young Advisory. Frequent Flyer Program: Ready for take-off.
[11] https://www.prnewswire.com/news-releases/gol-announces-results-of-the-smiles-shareholder-selection-of-exchange-ratio-consideration-301306318.html.

An example of a loyalty program spin-off is Lufthansa and its Miles & More program. In 2014, Lufthansa split off its loyalty program unit into a subsidiary that is still 100.0% owned by Lufthansa AG. Miles & More currently boasts a wide array of partners, including nearly 40 airline partners and more than 270 non-airline associated businesses.[12] While the Lufthansa/Miles & More transaction was not a spin-off to an entirely separate entity like the Air Canada/Aimia transaction, its success may provide a template for other airlines looking for greater flexibility in accessing the financial power of their loyalty programs.

To raise capital in 2014, Virgin Australia sold 35.0% of its loyalty program, Velocity, to Affinity Equity Partners.[13] Virgin Australia bought back the Affinity stake in 2019.[14] In 2015, Avianca also sought capital through its loyalty program, LifeMiles. Avianca sold 30.0% of LifeMiles equity to Advent International (Advent). In 2020, during Avianca's Chapter 11 bankruptcy process, Advent divested its stake.[15] In 2015, Alitalia sold off 75.0% of its loyalty program, MilleMiglia, to Etihad, a major shareholder in the airline at the time.

In 2020, as a result of the coronavirus pandemic's effect on passenger air travel demand, carriers utilized their assets in an effort to bolster their ailing liquidity positions. American Airlines was successful in pledging its loyalty program, AAdvantage, towards a government-backed loan offered as a part of the CARES Act.[16] In June 2020, United Airlines announced that they were successfully able to leverage their subsidiary loyalty program, MileagePlus, to obtain US$5 billion in liquidity. United Airlines cited "significant stable free cash flows, strong EBITDA margins, and value-creating loyalty" as positive attributes to the program that may have led the carrier to utilize the MileagePlus program to raise cash during difficult times for the industry.[17]

In September 2020, Spirit Airlines contributed its brand intellectual property and its Free Spirit affinity credit card program and its $9 Fare Club program assets and intellectual property to newly created entities. Delta Air Lines was able to raise US$9 billion in September 2020, in new bonds and loans backed by its SkyMiles loyalty program.[18] In November 2020, Azul completed a settlement of its public offering of convertible debentures in Brazil secured, among other things, by Azul assets including intellectual property and by Azul's loyalty program, TodoAzul.[19] In January 2021, Hawaiian Airlines issued new debt backed by its brand intellectual property and Hawaiian Miles Loyalty program.

In July 2023, Air France–KLM and Apollo entered exclusive discussions regarding a €1.5 billion capital solution to Air France–KLM's Flying Blue Loyalty program with commercial partners.[20]

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[12] Miles & More Factsheet, as of January 2019.
[13] https://www.wsj.com/amp/articles/virgin-australia-posts-deep-loss-1409268875.
[14] https://www.affinityequity.com/blogs/affinity-sells-frequent-flier-stake-back-virgin-australia.
[15] https://loyaltylobby.com/2020/10/28/avianca-buys-19-9-of-lifemiles-for-195m/.
[16] https://news.aa.com.
[17] https://ir.united.com/node/23771/html.
[18] https://www.reuters.com/article/us-delta-air-debt/delta-taps-9-billion-in-financing-against-loyalty-program-idUSKBN268213.
[19] https://newsroom.aviator.aero/azul-s-a-announces-launch-of-offering-in-brazil-of-brazilian-law-convertible-debentures/.
[20] https://www.globenewswire.com/news-release/2023/07/27/2712697/0/en/Apollo-enters-exclusive-discussions-to-provide-a-1-5-billion-capital-solution-to-Air-France-KLM-s-Flying-Blue-Loyalty-program-with-commercial-partners.html.

Loyalty Program Mergers, Acquisitions & Dissolutions

In the event of a merger between two airlines that have their own loyalty programs, one of the programs is generally absorbed into the other program in an effort to maintain loyalty. In 2015, when US Airways and American merged, their loyalty programs merged as well. US Airways' Dividend Miles transferred into AAdvantage miles at a 1.1 ratio. In January 2017, Virgin America's Elevate program was integrated and later absorbed into Alaska Airlines' Mileage Plan program.[21]

In the event that a carrier ceases to operate, the direction that loyalty program can take varies greatly. In August 2017, when Airberlin declared bankruptcy, their Topbonus loyalty program continued to allow redemptions. Shortly after the carrier had announced its bankruptcy, the program itself declared bankruptcy. Topbonus was a separate entity from Airberlin, with Etihad Airways owning 70.0% of the program as well as a minority stake in the airline.[22]

In 2019, Jet Airways suspended its operations due to financial reasons. Its loyalty program, Jet Privilege, co-owned with Etihad, remained in a suspended state after the carrier ceased its operations. In November 2019, the Jet Privilege program was then rebranded into InterMiles. While there is no dedicated airline partner to utilize InterMiles on, the program aims to provide its members a variety of flexible redemption programs and has picked up where Jet Privilege has left off, allowing holders of the loyalty program's points to utilize some value rather than losing them altogether.[23]

In March 2024, three years after Alitalia ceased operations, Trenitalia of the Ferrovie dello Stato group successfully acquired the former carrier's loyalty program, MilleMiglia. The sale included the names and contacts of approximately 6.2 million people.[24]

[21] https://www.alaskaair.com/content/travel-info/alaska-vx/elevate-members.
[22] https://thepointsguy.com/2017/08/air-berlin-topbonus-program-bankrupt/.
[23] https://www.intermiles.com/pressroom/jetprivilege-is-now-intermiles.
[24] https://www.corriere.it/economia/aziende/24_marzo_30/millemiglia-il-programma-fedelta-di-alitalia-finisce-nelle-mani-di-trenitalia-3d05e145-39a5-4d2e-a39d-e2eb0f4a2xlk.shtml.

VII. VALUATION APPROACHES & METHODS CONSIDERED

In order to arrive at the Conclusion of Value, mba considered three generally accepted approaches to valuation, namely: the Income Approach, the Market Approach, and the Cost Approach. The Income Approach seeks to convert future economic benefits into a present value. The Market Approach relies on values indicated by similar enterprises or comparable transactions. The Cost Approach is based on an aggregation of the values of all of an enterprise's assets and liabilities. Each of these approaches is described in detail below.

Income Approach

The Income Approach is based on the premise that the value of a security or asset is the present value of the future earnings capacity that is available for distribution to investors in the security or asset. Expected future earnings capacity can be measured by one of various benefit streams, such as cash flows, net income, or earnings before taxes, and can be calculated on a debt-free or after-debt basis. The choice of a proper stream of benefits depends on various factors, such as the enterprise's capital structure and its line of business. The Income Approach typically requires entity-specific assumptions, which are evaluated in the context of marketplace assumptions.

Market Approach

The Market Approach relies on values indicated by similar assets or comparable transactions. Using the Market approach, the appraiser conducts a review of historical sale transactions and lease rates. Values for a subject asset are then derived based on comparable data. In the Market Approach, values may also be derived from discussions with knowledgeable market participants and regulatory agencies.

Cost Approach

The third considered approach to valuation is the Cost Approach. This approach is based on the economic principle of substitution and the asset value is influenced by the cost to substitute or replace the asset. The Cost Approach considers a comprehensive definition of cost, which may include time, materials, and opportunity cost of creating the asset.

Valuation Approaches Chosen

Given the nature of the Subject Entity's operations and its expected earnings, mba concluded that the use of the Income Approach would be appropriate for this Valuation Engagement. Like many businesses, there is a strong correlation between the Subject Entity's value and its ability to generate future operating cash flows or earnings. It is, therefore, appropriate to use the Income Approach for this Valuation Engagement.

Two methods commonly used in the Income Approach are the Discounted Cash Flow Method and the Capitalization of Cash Flow Method. In the Discounted Cash Flow Method, future benefit streams are forecasted for a discrete period of time and then discounted back to their present value using a Discount Rate commensurate with the deemed level of risk. The Discounted Cash Flow Method is a multi-period model that also factors in the present value of a terminal value.

In the Capitalization of Cash Flow Method, the expected benefits for one time period are capitalized into perpetuity using a Capitalization Rate that is equal to the Discount Rate minus the expected long-term sustainable growth rate. The Capitalization of Cash Flow Method is predicated on stable earnings and constant growth and is most appropriate when it appears that a company's current and historical earnings can be considered indicative of its future operating results. Put another way, it is inherent in this method that past or current performance is a reasonable predictor of future performance.

Discount Rates and Capitalization Rates vary among particular types of businesses and from one period of time to another due to a variety of risk factors. Expressed as a percentage, the more speculative a company's income stream is, the higher the Discount Rate and Capitalization Rate. Conversely, the more stable the income stream is, the lower the Discount Rate and Capitalization Rate.

To the extent that the Subject Entity's current and historical results would be considered reasonable proxies for future benefits streams, the Capitalization of Cash Flow Method could be a suitable method under the Income Approach. It is mba's opinion, however, that the Discounted Cash Flow Method is more suitable for purposes of this Valuation Engagement.

VIII. VALUATION APPROACHES & METHODS USED

Income Approach - Discounted Cash Flow Method

Application of the Discounted Cash Flow Method requires the preparation of a reliable forecast of the expected future financial performance of the Subject Entity. In this context, the Subject Asset's future financial performance is a reflection of its future revenues, operating expenses, and taxes going forward, indefinitely.

Forecasted cash flow must then be discounted to a present value using a Discount Rate that appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows. Finally, an assumption must be made regarding the sustainable long-term rate of earnings growth at the end of the forecast period, and the terminal or residual value of the remaining cash flows must be discounted back to a present value. The sum of the present values of the forecasted cash flows and the terminal value equals the value of the Subject Entity.

Earnings Forecast and Cash Flow Adjustments

mba prepared a Discounted Cash Flow scenario based on the forecasted business plan prepared by the Subject Entity. The business plan includes a breakdown of revenues and direct and indirect costs. mba examined the profit and loss items in common size and found the forecasted revenues and costs to be consistent with the Subject Entity's historical experience. mba did not have access to the long-term contracts associated with these benefits and has not audited these estimates but believes them to be within reason based on discussions and preliminary results. mba also examined the forecasted operating metrics included with the business plan, including Member Growth and Engagement and Burn and Earn Rates, and found these key drivers to be consistent with the Subject Entity's historical experience. mba applied the earnings forecast and projected the cash flows from the Valuation Date through December 2030. The Earnings Before Interest and Taxes (EBIT) were adjusted for taxes, capital expenditures, depreciation, and amortization. The following is a list of cash flow adjustments:

- **Yield Premiums** - mba was provided yield premium data by the Subject Entity for members and non-members. Based on discussions with the Subject Entity, reasonable yield premium expectations have been incorporated by mba into the annual cash flow projections.
- **Redemption Rate / Breakage** — mba examined historical breakage rates and while the Subject Entity's forecast for breakage is more conservative considering its historical trends, mba assumed it to be reasonable.
- **Operating Expenses** — mba found the Subject Entity's forecast to be reasonable considering its historical expenses and expected economic impacts.
- **Depreciation & Amortization** — mba examined historical financial statements and assumed the Subject Entity's forecast to be reasonable considering its historical EBITDA margins and subsequent expected growth.

- **Incremental Working Capital —** Incremental working capital requirements were estimated by first forecasting out receivables and payables based on historic turnover ratios and the aforementioned income statement forecasts.
- **Incremental Deferred Revenue —** mba examined the historical relationship between gross revenues and deferred revenues in order to determine future deferred revenues and the year-on-year change in those values.
- **Tax Rate —** Due to tax compensation, the Subject Entity's effective tax rate of 0.0% was applied to the forecast.
- **Terminal Growth Rate —** At the conclusion of the forecast period, mba applied a terminal growth rate to the forecasted 2030 cash flows. mba assumed a terminal growth rate of 4.4% to be appropriate considering the industry, business model, and regional consumer behaviors. This rate is between the passenger traffic growth rate estimate over the next 20 years of 4.9% for South America-South America, and 5.1% for Central America-South America.[25]

[25] Boeing Commercial Market Outlook 2024–2043.

Discount Rate Estimation

The Discount Rate applied to the forecasted benefit stream and terminal value must adequately reflect the nature of the applicable investment and the risk associated with the underlying cash flows. Stated another way, the Discount Rate represents the total rate of return that an investor would demand given the level of risk associated with an investment. For purposes of an enterprise valuation, mba derived the Subject Entity's Weighted Average Cost of Capital (WACC). This reflects the return required by all providers of capital weighted by their relative contribution to total capital.

The after-tax Cost of Equity represents the return required by equity investors. mba considered two common methods of developing an appropriate Cost of Equity: the Buildup Method and the modified Capital Asset Pricing Model (CAPM). The Buildup Method starts with a risk-free rate of return and adds to it a number of identifiable risk factors. The modified CAPM is similar to the Buildup Method except that it requires the use of industry-specific beta information derived from similar public companies. For purposes of this Valuation Engagement, mba determined that the Buildup Method was appropriate for determining the Subject Entity's Cost of Equity.

The formula for the Buildup Method is $k_e = r_f + r_m + r_i + r_s + r_c$. The following definitions apply:

Cost of Equity Capital (k_e) - The return required by stockholders.

Risk-Free Rate (r_f) - The return on government securities with a term similar to that of the investment being valued.

Equity Risk Premium (r_m) - The additional return an investor expects in order to compensate for the additional risk associated with investing in equity securities instead of investing in a riskless asset; a measure of systematic risk.

Industry Risk Premium (r_i) - Unsystematic risk attributable to the industry in which the Subject Entity operates.

Size Premium (r_s) - Unsystematic Risk attributable to the widely acknowledged fact that smaller stocks, on average, are riskier than larger stocks and therefore require a greater return.

Country Risk (CRP) – Systematic Risk investors consider when investing in a specific country.

Specific Risk (r_c) – Unsystematic Risk attributable to a subject asset.

mba estimated the Subject Entity's Cost of Equity through the build-up method in the table below.

COST OF EQUITY

RISK-FREE RATE	3.5%
EQUITY RISK PREMIUM	5.0%
INDUSTRY RISK PREMIUM	0.8%
SIZE PREMIUM	4.9%
COUNTRY RISK	2.8%
SPECIFIC RISK	1.0%
ESTIMATED COST OF EQUITY CAPITAL (AFTER-TAX)	**18.0%**

The after-tax Cost of Debt represents the return required by debt investors on long-term interest-bearing debt.

The formula for the after-tax rate of return is $k_d = k \times (1-t)$. The following definitions apply:

Cost of Debt (k_d) - The return required by debt investors.

Pre-tax Cost of Debt Capital (k) - Pre-tax cost of debt capital based on the yield of corporate bonds with a rating similar to that of the investment being valued.

Effective Income Tax Rate (t) - The percent of income that a corporation pays in taxes.

mba estimated the Subject Entity's Cost of Debt in the table below:

COST OF DEBT

PRE-TAX COST OF DEBT CAPITAL	9.0%
EFFECTIVE INCOME TAX RATE	0.0%
ESTIMATED COST OF DEBT CAPITAL (AFTER-TAX)	**9.0%**

The risk factors used in the Buildup Method are individually computed and are intended to be independently additive and non-overlapping in their measurement of risk. The selected risk-free rate of return is the KROLL Normalized Risk-Free Rate. mba did not compute the risk premium factors and instead relied on the *KROLL Cost of Capital Navigator* in determining the Equity Risk Premium, Size Premium, and Industry Risk Premium. For the Industry Risk premium, mba observed the measures for GICS 2550 – "Consumer Discretionary Distribution & Retail." This is the GICS classification for marketing businesses that mba views as a reasonable proxy for a coalition loyalty program such as LifeMiles. mba relied on NYU Stern for the Country Risk Premium of 2.8%. Specific risk is a matter of professional judgment and deals with the risk of the particular asset or company. The cost of debt for a company with ratings similar to the Subject Entity at the time of this valuation is estimated at 9.0%. Using a target capital structure of 65.0% debt to 35.0% equity, mba calculated the WACC to be 12.1%.

The Subject Entity expects an effective tax rate of 0.0% to offset tax expenses with losses incurred due to COVID-19. mba considered a 0.0% tax rate for the WACC calculation during the forecast period. During the forecast period through 2030, mba calculated the WACC to be 12.1%. In determining the terminal value, mba applied a 35.0% tax rate and, correspondingly, used a WACC of 10.1%. The terminal value was discounted back to present using the WACC of 12.1%.

IX. CONCLUSION OF VALUE

The following matrix summarizes mba's Conclusion of Value of the Subject Asset as of the Valuation Date.

CONCLUSION OF VALUE (US$)

LIFEMILES, LTD. LOYALTY PROGRAM	3,177,658,000

The Conclusion of Value was prepared solely for the purpose described in this Valuation Report and should not be used for any other purpose. The Conclusion of Value is subject to the Statement of Assumptions & Limiting Conditions found in Section XI and the Representation of the Valuation Analysts found in Section XII.

X. RISK FACTORS

The Conclusion of Value was determined assuming key factors affecting the Value including the economic, competitive, and financing environments. In the event that any of these key factors affecting materially diverge in the future from mba's assumptions, mba's valuation results would be expected to change accordingly. Several of the major risks associated with these valuations are outlined below.

Economic Risks

mba's valuation is based on current economic conditions regarding global and regional economies. As stated earlier in the report, demand for air transport service is highly cyclical and is strongly correlated with economic trends. Therefore, a downturn in the global economy could have a negative impact on demand for passenger travel. Likewise, increased prosperity would have a positive effect on personal incomes, causing a rise in passenger traffic. As the air transport industry experiences these variances, the value of the Subject Entity could vary accordingly.

Competitive Risks

While the Subject Entity is in a dominant position in its core markets, potential members have many loyalty program alternatives, they choose among alternatives based upon factors such as:

- Accrual and redemption rate;
- Airline partners;
- Co-branding partners;
- Benefits; and
- Reputation.

The continued attractiveness of the Subject Entity's program will depend in large part on its ability to remain affiliated with existing co-branding partners or add new partners that are desirable to members and to offer rewards that are both attainable and attractive to members.

Growth Strategy Risks

mba's valuation is based on the assumption that the Subject Entity will be able to maintain and grow its growth strategy. If the Subject Entity does not maintain or attain these levels, it could impact mba's valuation.

Long-Term Contract Risks

mba's valuation is based on the assumption that the Subject Entity will be able to sell its points under the terms of its current long-term agreements. Variation in future contract terms negotiated by the Subject Entity may result in a positive or negative impact on mba's valuation.

Cybersecurity Risk

The Subject Entity's value is tied to its use of technology as a value driver. Strategic initiatives, such as outsourcing, use of third-party vendors, cloud migration, mobile technologies, and remote access, are used to drive growth and improve efficiency but also increase cyber risk exposure. If the Subject Entity is exposed to a cyber attack or data breach, there is a risk of damage and destruction of data or monetary loss, including theft of intellectual property, productivity losses, and reputational harm.

XI. STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

1. The Conclusion of Value arrived at herein is valid only for the stated purpose as of the Valuation Date.

2. Financial statements and other related information provided by the Subject Entity or its representatives in the course of this engagement have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. mba has not audited, reviewed, or compiled the financial information provided to us and, accordingly, expresses no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources mba believes to be reliable. However, mba makes no representation as to the accuracy or completeness of such information and has performed no procedures to corroborate the information.

4. mba does not provide assurance on the achievability of the results forecasted by the Subject Entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

5. The Conclusion of Value arrived at herein is based on the assumption that the current level of management expertise and effectiveness will continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. The Valuation Report and its Conclusion of Value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The Conclusion of Value represents the considered opinion of mba, based on information furnished to mba by the Subject Entity and other sources.

7. The Valuation Report and its Conclusion of Value will not be disseminated by the Subject Entity or by any of its agents to other firms considered to be competitors to mba in the airline route valuation field without the prior express written approval of mba.

8. Future services regarding the subject matter of this Valuation Report, including but not limited to testimony or attendance in court, shall not be required of mba unless previous arrangements have been made in writing.

9. mba has not determined independently whether the Subject Entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. mba's valuation takes no such liabilities into account, except as they have been reported to mba by the Subject Entity or by an environmental consultant working for the Subject Entity, and then only to the extent that the liability was reported to mba in

an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to mba, mba has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. No change of any item in this Valuation Report shall be made by anyone other than mba, and mba shall have no responsibility for any such unauthorized change.
11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the Subject Entity due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.
12. mba has corresponded with the current management of the Subject Entity concerning the past, present, and prospective operating results of the Subject Entity.
13. mba has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

XII. REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the date written below, to the best of mba's knowledge and belief, that:

- The analyses, opinions, and Conclusion of Value included in the Valuation Report are subject to the specified Assumptions and Limiting Conditions, and are the personal analyses, opinions, and Conclusion of Value of the valuation analyst.
- The valuation analyst is unrelated to the Subject Entity and has no current or expected interest in the Subject Entity or its assets.
- The Valuation Report was prepared for the purpose stated therein. The Valuation Report is not intended to be and should not be used for any other purpose.
- The valuation analyst has no obligation to update the Valuation Report or the Conclusion of Value for information that comes to his or her attention after the date indicated above.
- The valuation analyst's compensation for the Valuation Engagement is in no way contingent on the outcome of the valuation.
- This report represents mba's opinion as to the value of the Subject Asset and is intended to be advisory only and is not given for, or as an inducement for any specific financial transaction. Therefore, mba assumes no financial responsibility or legal liability for decisions or actions taken or not taken by the Subject Entity or any other party with regard to the Subject Asset. mba accepts no responsibility for damages, if any, claimed by a third party as a result of decisions or actions taken based on the information contained in this report. By accepting this report, all parties agree mba shall bear no such responsibility or legal liability. mba consents to the use of this appraisal report as required by the terms in the indenture.

PREPARED BY:

Anala Ravinarayan
Director | Airline & Airport Services
mba Aviation

January 13, 2025

REVIEWED BY:

Anne Agnew Correa, CVA
Senior Vice President | Airline & Airport Services
mba Aviation

ANNEX C — MBA AVIATION APPRAISAL REPORT OF AVIANCA GROUP INTERNATIONAL LIMITED'S BRAND INTELLECTUAL PROPERTY

[Attached]

Valuation of:
Avianca Group International Limited's Brand Intellectual Property

Client:
Avianca Group International Limited

Date:
January 13, 2025

Headquarters:

2101 Wilson Boulevard
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TABLE OF CONTENTS

I. VALUATION SUMMARY

VALUATION SUMMARY	
SUBJECT ENTITY	Avianca Group International Limited
SUBJECT ASSET	Avianca Group International Limited's Brand Intellectual Property
PURPOSE OF VALUATION	Consideration for Financing Agreement
STANDARD OF VALUE	Fair Market Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	January 2, 2025
VALUATION APPROACHES	Income Approach
VALUATION METHODS	The Relief from Royalty Method
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	US$940,200,000

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation (mba) was engaged by Avianca Group International Limited (Avianca, the "Client," or the "Subject Entity") to estimate the value of its Brand Intellectual Property (the "Subject Asset") as of January 2, 2025 (the "Valuation Date").

It is understood by mba that the Conclusion of Value will be used by the Client in connection with a financing agreement. mba understands that this report may be provided to agents, lenders, and other parties in connection with such financing agreement. This Valuation Report was prepared solely for the purpose described in this paragraph and, accordingly, should not be used for any other purpose. This Report should not be distributed to any party other than the Client or the agents, lenders, and other parties in connection with such financing agreement without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Assets as of the Valuation Date. For the purpose of this valuation, historical financials and other information covering the results of the Subject Entity's operations were used, including forecasted financial performance and estimates of passenger growth provided by the Client. It is mba's understanding that this information represents the most complete and reliable financial information available as of the date of this report. In this valuation, mba considered only circumstances that existed as of, and events that occurred up to, the Valuation Date. However, events occurring after the Valuation Date but before the date of this report (i.e., subsequent events) were taken into account to the extent that they were indicative of conditions that were known or knowable as of the Valuation Date.

Standard & Premise of Value

Two important concepts mba considered before beginning this engagement were the applicable Standard of Value and Premise of Value. Standard of Value deals with the definition of value or the type of value being proffered. Numerous Standards of Value exist and may be applicable for a particular valuation, depending on the purpose of that engagement. For this valuation, the applicable Standard of Value is Fair Market Value.

The IRS defines Fair Market Value as:

> *The price at which property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.*

Premise of Value deals with the "how" in a transaction. The valuation premise may be either in-use or in-exchange, with the determining factor being the highest and best use as considered from a market participant's perspective. In this case, the Conclusion of Value is based on an in-use valuation premise of Going Concern, which assumes that the Subject Entity will continue to operate into the future.

Scope of the Valuation Engagement

There is a specialized classification of intangible assets called intellectual properties. Intellectual properties manifest all of the economic existence and economic value attributes of other intangible assets. Intangible assets are often created in the normal course of business operations. However, intellectual properties are created by human intellectual or inspirational activity. A common categorization of intellectual property types is:

1. Creative (e.g., trademarks, trade names, service marks, logos, copyrights, software, databases, data content)
2. Innovative (e.g., patents, industrial designs, trade secrets, technology)

mba has valued the Subject Asset and considered the following factors in this valuation.

- The nature of the business, the Subject Asset, and the history of the enterprise from its inception;
- The economic outlook in general and the condition and outlook of the specific industry in particular;
- The financial condition of the business; and
- The earning capacity of the business and its Subject Asset.

mba's scope of work included but was not necessarily limited to the following:

- Discussions with management concerning the Subject Asset, financial and operating history, and forecasted future operations of the Subject Entity;
- Analysis of historical financial statements and other financial and operational data concerning the Subject Asset;
- Analysis of forecasted financial and operational data concerning the Subject Asset;
- Research concerning the Subject Entity; its financial and operating history; the nature of its products, services, and technologies; and its competitive position in the marketplace;
- Research and analysis on the industry segment in which the Subject Entity operates;
- Research and analysis on current economic conditions and the outlook for the regional economy; and
- Analysis and estimation of the value of the Subject Assets as of the Valuation Date.

Sources of Information

The principal sources of information utilized in conducting this analysis were as follows:

- Interviews with the Subject Entity;
- Subject Entity Annual Reports;
- Forecasted financial statements prepared by the Subject Entity;
- OAG Schedules Data;
- Subject Entity website;
- Statistics, studies, forecasts, and articles regarding the industry in which the Subject Entity operates and the economic environment; and
- mba's internal data and values for the assets held by the Subject Entity.

Financial and other pertinent information provided to mba by the Subject Entity has been accepted without further verification. mba did not audit, review, compile, or attest under the AICPA Statements on Standards for Attestation Engagements (SSAEs) to any financial information derived from those sources, and mba, therefore, assumes no responsibility for any such financial information.

Refer to Section X for a complete list of Assumptions & Limiting Conditions applicable to this Valuation Report. Certain specific assumptions and limiting conditions may be cited in the body of this report.

III. SUBJECT ENTITY OVERVIEW

Nature, Background, & History

Avianca Group International Limited (Avianca, or "AGIL") is a privately held company domiciled in the United Kingdom (U.K.), with operations in passenger and cargo airlines. Through its subsidiaries, Avianca is a leading Latin American airline whose network consisted of 152 routes in 75 destinations as of the end of the third quarter of 2024, both in the domestic markets of Colombia, Ecuador, and Central America and international routes in North, Central and South America, Europe, and the Caribbean. As of September 2024, Avianca's fleet was comprised of 163 aircraft, including 124 Airbus 320 and 16 Boeing 787 Dreamliner.

The main shareholders of Avianca and the controlling shareholder of GOL signed a historic agreement on May 11, 2022, to create Latin America's leading air transport group under a holding structure called Abra Group Limited ("Grupo Abra"). Subject to customary regulatory approvals and closing conditions, Abra will control Avianca and GOL, bringing their iconic brands together within one group. Grupo Abra combines Avianca and GOL's synergistic businesses, resulting in a Latin American airline network with the lowest unit cost within each respective market and with the region's leading loyalty programs. AGIL is a controlled entity of Abra Group Limited ("Abra") since April 3, 2023. AGIL is the parent entity of a group of leading providers of air travel and cargo services in Latin America and around the globe.

SUBSIDIARY	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST
AVIANCA MIDCO 2 PLC UK	England	100%
AVIANCA ECUADOR S.A.	Ecuador	99.62%
AEROVÍAS DEL CONTINENTE AMERICANO S.A. (AVIANCA)	Colombia	99.98%
GRUPO TACA HOLDINGS LIMITED	Bahamas	100%
LIFEMILES LTD.	Bermuda	100%
AVIANCA COSTA RICA S.A.	Costa Rica	92.42%
TACA INTERNATIONAL AIRLINES, S.A.	El Salvador	96.83%
TAMPA CARGO S.A.S.	Colombia	100%

Avianca's Cargo Business Unit, Avianca Cargo, is a leader in the air cargo industry within several markets across the Americas, transporting perishables, textiles, pharmaceuticals, technology, and more. Avianca Cargo, with a cargo fleet of six Airbus 330 freighter, three Airbus 300 freighter, two Boeing 767 freighter aircraft, and belly operation in more than 100 passenger aircraft, operates within more than 50 destinations. Avianca Cargo transported more than 450,000 tons of cargo in 2022 and is the number one cargo airline, based on volume, of cargo transported currently operating from El Dorado International Airport (Bogota, Colombia) and one of the most relevant air cargo carriers at Miami International Airport (Miami, United States).

Avianca Group's Loyalty Program is operated by LifeMiles Ltd, which became 100.0% owned by Avianca in 2021. LifeMiles, one of the region's largest loyalty programs, facilitates the accrual and redemption of miles for both Avianca and a wide network of commercial partners, including other airlines, banks, fashion retailers, restaurants, and more. LifeMiles has more than 12 million members and 400 commercial partners worldwide, increasing customer loyalty and attracting new customers to the airline while representing an important source of profitability and cash flow for Avianca Group. Its primary markets are Colombia, Central America, the United States (U.S.), and Ecuador.[1]

Strategy

The team at Avianca has a rigorous focus on cost management, network agility, and identifying new market opportunities. Avianca has consolidated the most extensive network in its history by adding 26 new routes this year. In addition, it is investing in its product offering to premium customers while continuing to make travel more accessible through competitive prices and wider connectivity.

The Company has reallocated capacity to international markets with growth opportunities by launching nine international routes through September 2024, including Bogota–Paris, and announcing 14 more that start operation during winter 2024 (Bogota–Chicago, Buenos Aires–Guayaquil, Guayaquil–San Jose, Medellin–San Salvador, Panama City–San Jose, Punta Cana–Quito, Medellin–Panama, Sao Paulo–Medellin, Aeroparque–Bogota, Bogota–Georgetown, Bogota–Tulum, Bogota–Havana, Guayaquil–Medellin, and Cartagena–Guayaquil). Avianca aims to continue to capture premium revenue by expanding its Business Class service on the narrowbody operation to 23 additional routes in the Americas, expecting to reach 34 routes in December 2024. In addition, Avianca will launch Insignia in November, its enhanced European Business-Class service.

Consistent with the objective of focusing on core competencies while partnering with companies that are experts in their fields, Avianca signed an agreement for MRO Holdings to become the operator of AGIL's Medellín-based MRO. This strategic decision for Avianca ensures the delivery of high-quality service through a leading maintenance service provider in the Americas. Avianca expanded the scope of its codeshare agreement with Clic Air, a domestic carrier in Colombia, to connect Clic's regional flights with 14 of Avianca's international routes. Since 2022, the two companies have been working together to connect their networks, benefiting millions of passengers and improving the connectivity of the regions. In October, Avianca closed its strategic investment in Wamos Air, a leading Spanish-based ACMI operator with a unique fleet of 13 A330 aircraft, which has a track record of consistent profitability and represents an opportunity to increase connectivity from Latin America to Europe through its European certificate.

[1] Investor Relations, avianca.com.

Competition

During 2024, 83 different operators offered service from the Subject Airline's core and target markets.[2] The top five operators control 68.6% of total seat capacity. The 20 carriers from the core and target markets are listed below by number of seats offered.

CARRIER	COUNTRY	LOW-COST CARRIER (LLC)	SEATS	FREQUENCIES
AVIANCA	Colombia		41,990,221	232,459
VIVAAEROBUS	Mexico	✓	29,731,616	149,009
VOLARIS	Mexico	✓	29,049,094	145,102
AEROMEXICO	Mexico		25,043,307	170,804
LATAM AIRLINES GROUP	Chile		16,675,875	97,993
COPA AIRLINES	Panama		13,060,082	81,728
AMERICAN AIRLINES	USA		7,863,276	50,748
UNITED AIRLINES	USA		6,305,428	41,640
DELTA AIR LINES	USA		3,459,268	19,408
AERO REPUBLICA	Colombia		3,251,466	17,481
JETSMART	Chile	✓	3,110,752	16,669
CLIC AIR S.A.	Colombia		2,379,230	33,989
WESTJET	Canada		2,337,722	12,825
AIR CANADA	Canada		2,134,948	11,026
SPIRIT AIRLINES	USA	✓	2,062,003	10,818
SOUTHWEST AIRLINES	USA	✓	1,726,400	11,040
ALASKA AIRLINES	USA		1,577,646	9,408
JETBLUE AIRWAYS CORPORATION	USA	✓	1,525,921	8,905
SATENA	Colombia		1,323,810	27,130
SUNWING AIRLINES INC.	Canada	✓	1,151,199	6,091

Sources: OAG Schedules Analyzer Data, Full Year 2024 as of December 2024, mba Aviation Analysis

[2] Core market is Colombia. Target markets include Ecuador and all of Central America.

IV. SUBJECT ASSET OVERVIEW

There is a specialized classification of intangible assets called intellectual properties. Intellectual properties manifest all of the economic existence and economic value attributes of other intangible assets. Intangible assets are often created in the normal course of business operations. However, intellectual properties are created by human intellectual or inspirational activity. A common categorization of intellectual property types is:

1. Creative (e.g., trademarks, trade names, service marks, logos, copyrights, software, databases, data content)
2. Innovative (e.g., patents, industrial designs, trade secrets, technology)

Intellectual Property License Agreement

Intellectual properties are assets with the capability of generating revenue, decreasing costs, expanding and protecting competitive positions, or enhancing customer value propositions.

Avianca's brand, marketing, and distribution method contributes to its intellectual property. The distribution technology and approach create significant cost savings and enables the Subject Entity to continue building loyalty with customers through increased interaction with them. The Avianca brand is a household name in Colombia. The trademark Avianca has been registered with the trademark office in Colombia as well as in other countries, including the U.S. Avianca is the owner of the figurative trademark while Avianca remains the owner of the nominative trademark. Both the figurative and the nominative trademark Avianca are used to identify, from a commercial standpoint, all the operating airlines.

Avianca maintains a sophisticated sales process and a multichannel strategy with extended customer reach. Avianca sells its products through the following primary distribution channels: (i) website, (ii) mobile app, (iii) call centers, (iv) airport stations, (v) free-standing stores, (vi) direct agents, and (vii) third parties, such as travel agents, including through their websites. Avianca strives to increase the share of more profitable corporate travel agencies and to increase e-commerce penetration, thereby bypassing more expensive distribution. Direct internet bookings by customers represent the lowest cost distribution channel. The low-cost distribution strategy results in reduced expenses by avoiding the fees associated with the use of Global Distribution System (GDS) distribution points. Every GDS charges per transaction. Booking fees are usually between 2.0%–4.0% of a ticket price, and around 20.0% for a hotel booking.[3] The automated marketing and targeted advertising allows Avianca to maintain lower than industry costs on a per-passenger basis.

[3] A-viewpoint-on-GDS-surcharges-and-the-evolving-airline-distribution-landscape, TPConnects.

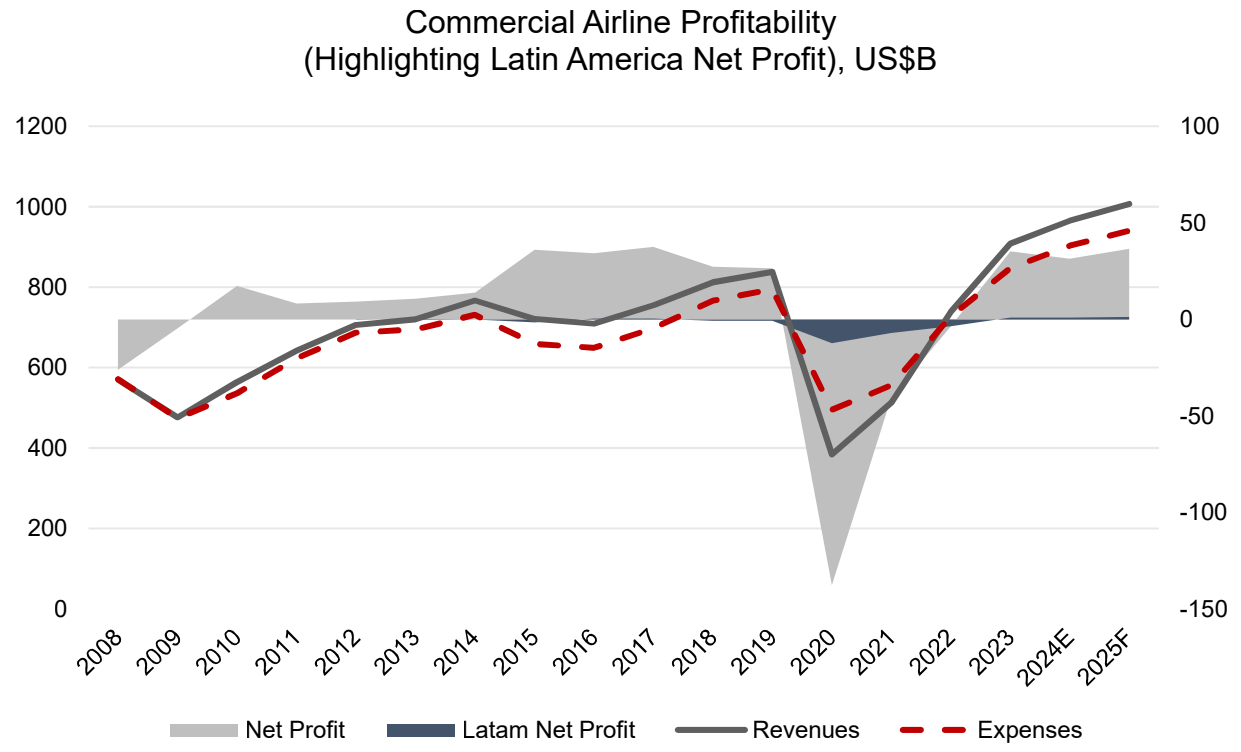
V. AVIATION INDUSTRY OVERVIEW

Industry Profitability

The air transport industry is expected to report a relatively strong profit in 2024 despite rising costs and limits on capacity building. Airlines have faced wage increases and higher operating costs, some because of the longer routes imposed by airspace restrictions. A major impact stems from delivery delays and other issues in the supply chain. Airlines are forced to keep flying older airplane models, which negatively affects fuel efficiency and increases maintenance costs. The bottom line is projected to generate a net profit of US$31.5 billion in 2024 with a 3.3% net profit margin.

In 2025, airlines' revenues are expected to surpass the evocative US$1 trillion mark. The top-line growth and lower fuel prices should translate into higher profitability. IATA forecasts a net profit of US$36.6 billion—a record high for the industry—at a still meager 3.6% net profit margin. Load factors will likely remain high as supply chain issues continue to impact 2025 and beyond.

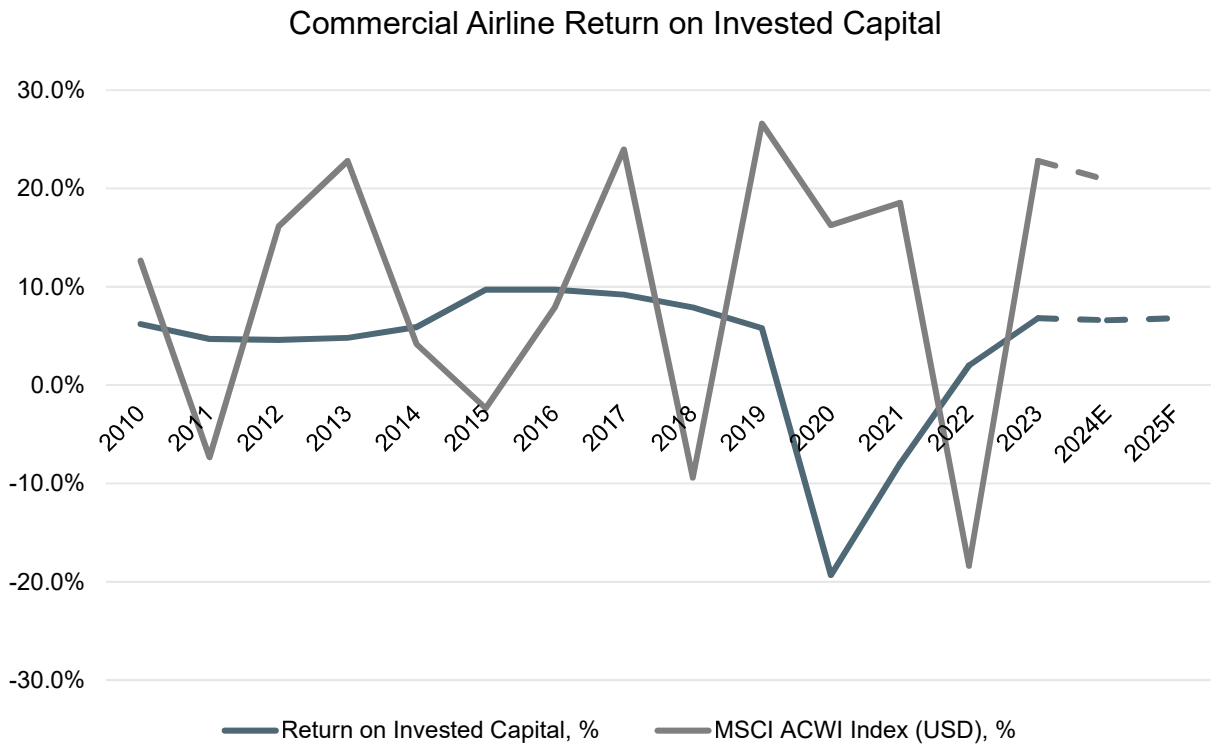
The graph below displays profitability numbers for the global airline industry as per IATA.



Source: IATA Update as of December 2024, mba Aviation Analysis

Return on Invested Capital

The stability in airline margins and ROIC leading up to 2019 was driven by a strong economy, allowing unit cost increases to be recovered through higher load factors and some rise in yields. After reaching a low in 2020, the industry's financial performance has risen in line with traffic volumes. With ROIC turning positive again in 2022 at 2.0%, the metric is improving and is expected to increase to 6.6% in 2024. The graph below presents the airline industry ROIC compared to annual returns for MSCI's ACWI index, which is a global equity index capturing both developed and emerging markets.

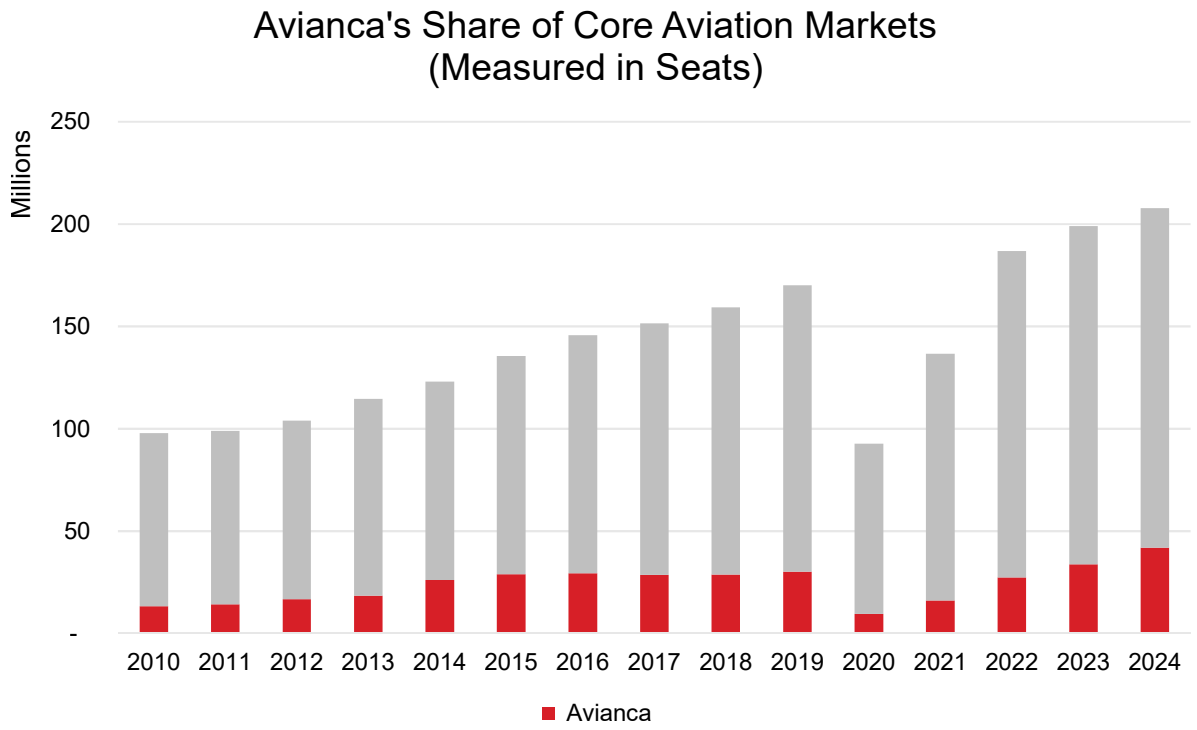


Source: IATA Update as of December 2024, MSCI (YTD Data as of Nov 29, 2024)

Latin American Market Overview

According to the United Nations, over half of the Western Hemisphere's inhabitants reside in the 33 countries comprising Latin America and the Caribbean—an estimated population of 670 million in 2024. Across those countries, there are 151 airlines and 531 airports with scheduled services in September 2024.[4] Notably, almost half of international capacity operates to other destinations within Latin America, while nearly 40.0% operates to North America. Growth is strong across the continent, with 39 million seats this September—a 5.0% increase from September 2023. However, there are differences at the regional level. Countries in Upper and Lower South America are experiencing growth while capacity in the northern part of the continent, the Caribbean and Central America, is contracting.

The traffic in the Subject Region is expected to grow 3.5%–5.6% annually over the next 20 years. Colombians still have a low propensity to travel with an average trip per capita at 0.7 in 2023.[5] Avianca[6] has maintained an average 52.1% market share of the Colombian aviation market, measured in seats, for the last decade. Avianca's market share has been on average 17.0% when expanding to all core and target markets.[7]



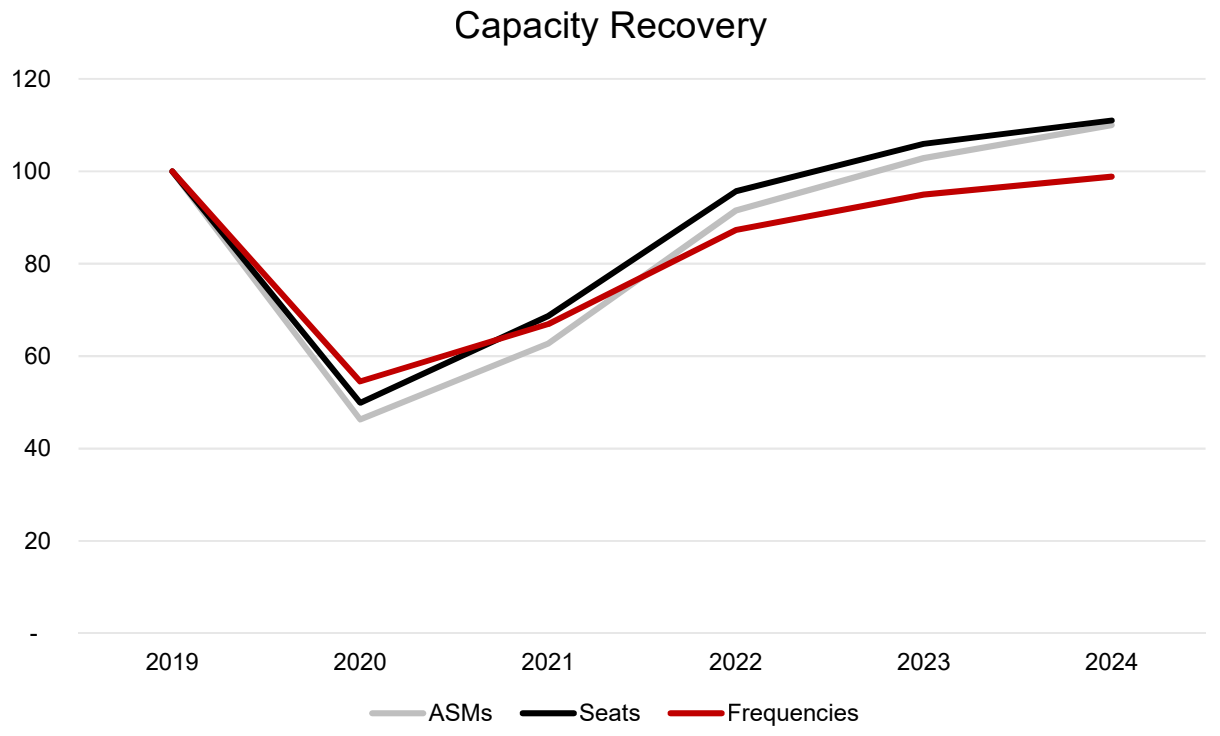
Source: OAG Schedules Data, Full Year 2024 unless otherwise stated; Data as of December 2024; mba Aviation Analysis

[4] OAG.
[5] Airbus's Global Market Forecast 2024–2043 and Boeing's Commercial Market Outlook 2024–2043.
[6] Avianca experienced financial restructuring between 2020 and 2021 but has operationally retained the name Avianca. Seats measured is an operational metric.
[7] Core market is Colombia, Target markets include Ecuador and all of Central America.

Capacity Analysis

Commercial aviation in Latin America and the Caribbean (LAC) recorded 451.6 million air passengers in 2023, a historic number for the region, according to the Latin American and Caribbean Air Transport Association (ALTA). This represents an additional 52.9 million passengers, up 13.3% compared to 2022 and a solid 3.9% above 2019 levels. Latin American carriers are flying 10.0% more ASMs than before the pandemic. They are offering 11.0% more seats on 1.1% fewer flights. This can be explained by an emphasis on operational efficiency and aligning capacity with market demand while addressing aircraft constraints due to delivery delays.

Latin America's key airports face significant challenges related to capacity constraints and infrastructure limitations. Mexico City International Airport (MEX), São Paulo's Guarulhos (GRU) and Congonhas (CGH), Bogotá's El Dorado (BOG), and Lima's Jorge Chávez (LIM) airports operate under strict slot restrictions due to high demand and limited expansion capabilities. These measures aim to prevent congestion, optimize air traffic flow, and uphold safety standards. However, they pose challenges for airlines looking to expand their services, particularly for low-cost carriers and new entrants, who often struggle to acquire desirable slots. As passenger traffic in the region nears pre-pandemic levels, addressing slot allocation, improving airport infrastructure, and increasing operational efficiency will be essential for supporting the growth of Latin America's aviation sector. Investments in airport expansions and regional connectivity will also play a crucial role in enhancing the region's aviation network and fostering competition and innovation.



Sources: OAG Schedules Data, Data as of December 2024; mba Aviation Analysis

VI. INTELLECTUAL PROPERTY TRANSACTIONS OVERVIEW

One of the largest intangible assets that an air carrier can maintain is its brand and intellectual property. An air carrier's right to utilize a trademark or other intellectual property allows it to operate without fear of another carrier utilizing the same mark and risking the reputation of the carrier. While few transactions exclusively involving intellectual property and an airline's brand exist, there have been past transactions that create a precedent for similar transactions to occur in the future.

In 2008, Southwest Airlines purchased America Trans Air (ATA) Airlines for US$7.5 million. The acquired assets included 14 slots at New York's LaGuardia airport, the ATA branding and trademarks, and the operating certificate for the airline.[8] Prior to the acquisition of the remaining assets of ATA, Southwest Airlines had a codeshare relationship with ATA. In the U.S., Virgin America was required to pay royalties to Virgin Group for the rights to utilize the "Virgin" brand on the carrier, and subsequently, with Alaska Airlines as owners of the carrier after the merger between Alaska Airlines and Virgin America was announced. Based on data filed with the Securities and Exchange Commission, Virgin America was subject to a 0.5% royalty on gross sales per quarter in 2015, a 0.7% royalty on gross sales per quarter in 2016, and after a date in which gross sales for the preceding four consecutive quarters exceeds US$4.5 billion, a 0.5% royalty on gross sales.[9]

In 2010, easyJet agreed to pay royalties of 0.25% of the carrier's total revenues to easyGroup after a court dispute with easyJet founder Stelios Haji-Ioannou over royalties and licensing of the "easy" brand. In exchange for the royalties, as well as an annual fee of £300 thousand for a period of five years, Sir Stelios agreed to give up his right to appoint himself as a chairman of easyJet, as well as the right for easyGroup to represent on the board of easyJet. The minimum commitment for easyJet is ten years, with the right to utilize the "easy" brand for up to 50 years after the execution of the agreement in 2010.[10]

Within the U.S., many mainline carriers contract with regional airlines to operate low-demand, short-haul routes using the mainline carrier's livery and name. These contracts are known as capacity purchase agreements, or CPAs, and allow regional carriers to enjoy the benefit of a fairly predictable revenue stream. In the 1990s, major European carriers, such as Lufthansa, British Airways, and Iberia, began providing regional carriers with their livery, trade secrets, reservation and ticketing systems, as well as other services and intellectual property. In exchange, these regional carriers would pay a licensing fee back to the major carrier and operate flights using the regional carrier's own air operator's certificate while utilizing the network carrier's branding.[11] Recently, many of these carriers have moved away from the franchise model and have established wholly owned subsidiaries.

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[8] http://investors.southwest.com/news-and-events/news-releases/2008/19-11-2008.
[9] https://www.sec.gov/Archives/edgar/data/1614436/000119312514365735/d761206dex1050.htm.
[10] https://corporate.easyjet.com/~/media/Files/E/Easyjet/pdf/investors/brand-licence-court-case/11-10-2010a-pr.pdf.
[11] Nicholas Denton and Nigel Dennis, "Airline franchising in Europe: benefits and disbenefits to airlines and consumers," *Journal of Air Transport Management* 6, no.4 (2000): 179-190.

The coronavirus pandemic forced carriers to be inventive as they look to secure funds. In addition to the traditional collateral of aircraft and engines, airlines are increasingly pledging intellectual property and brands to raise funds. In June 2020, JetBlue Airways Corporation entered into a US$750 million Term Loan Credit Agreement secured by certain airport takeoff and landing slots and the right to use certain intellectual property assets comprising the JetBlue brand.[12] In July 2020, American Airlines entered into a Note Purchase Commitment Letter secured by certain intellectual property of the Company, including the "American Airlines" trademark and the "aa.com" domain name. In September 2020, Spirit Airlines contributed its brand intellectual property, its Free Spirit affinity credit card program, and its $9 Fare Club (now Spirit Saver$ Club) program assets and intellectual property to newly created entities. The loyalty assets are licensed on a royalty-free basis, while Spirit pays a license fee of 2.0% for the brand assets.[13]

In December 2020, GOL, Brazil's largest domestic airline, announced a private placement of US$200 million backed by its intellectual property, including patents, trademarks, brand names and domain names, and certain spare parts.[14] In January 2021, Hawaiian Airlines issued senior secured notes of US$1.2 billion backed by its HawaiianMiles loyalty program and its Hawaiian brand intellectual property.

In October 2021, following distressed Alitalia's reorganization as Italia Trasporto Aereo (ITA), the newly organized entity acquired the Alitalia brand and website domain for €90 million (US$104 million) on the eve of its first day of operations. EU State aid rules required the new company to be sufficiently different from the previous one and required a rebranding of the restructured Alitalia into ITA. All the aircraft of the reorganized entity still carried Alitalia livery and required ITA to purchase Alitalia's brand in order to carry out operations. The purchase price for the brand was lower than the reported €290 million set as the base price by Alitalia to participate in the tender.[15] [16]

In July 2023, Air France–KLM and Apollo entered exclusive discussions regarding a €1.5 billion capital solution to Air France–KLM's Flying Blue Loyalty program with commercial partners.[17]

In August 2023, six years after AirBerlin ceased operations, the owner of Sundair successfully acquired the trademark rights from AirBerlin for a reported purchase price of approximately €120,190.[18]

In 2024, there was an increase in debt issued backed by airlines using their brands as collateral, often coupled with other assets. Airlines include WestJet, Alaska, Frontier, and LATAM.

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[12] http://otp.investis.com/clients/us/jetblue_airways/SEC/sec-show.aspx?FilingId=14223861&Cik=0001158463&Type=PDF&hasPdf=1.
[13] https://www.moodys.com/research/Moodys-assigns-B1-corporate-family-rating-negative-outlook-to-Spirit--PR_431327.
[14] https://www.prnewswire.com/news-releases/gol-finance-prices-us200-million-of-8-senior-secured-notes-due-2026-301196621.html.
[15]https://www.flightglobal.com/strategy/ita-secures-alitalia-brand-but-appears-set-on-fresh-start/145939.article.
[16] https://simpleflying.com/ita-alitalia-brand/.
[17] https://www.globenewswire.com/news-release/2023/07/27/2712697/0/en/Apollo-enters-exclusive-discussions-to-provide-a-1-5-billion-capital-solution-to-Air-France-KLM-s-Flying-Blue-Loyalty-program-with-commercial-partners.html.
[18] https://simpleflying.com/sundair-owner-buys-air-berlin-brand/.

VII. VALUATION APPROACHES & METHODS USED

To arrive at the Conclusion of Value, mba considered three generally accepted approaches to valuation, namely: the Income Approach, the Market Approach, and the Cost Approach. The Income Approach seeks to convert future economic benefits into a present value. The Market Approach relies on values indicated by similar assets or comparable transactions. The Cost Approach is based on a comprehensive or all-inclusive analysis of the relevant cost components.

Income Approach

The Income Approach is based on the premise that the value of a security or asset is the present value of the future earnings capacity that is available for distribution to investors in the security or asset. Expected future earnings capacity can be measured by one of various benefit streams, such as cash flows, net income, or earnings before taxes, and can be calculated on a debt-free or after-debt basis. Choice of a proper stream of benefits depends on various factors, such as the enterprise's capital structure and its line of business. The Income Approach typically requires entity-specific assumptions, which are evaluated in the context of marketplace assumptions.

Market Approach

The Market Approach relies on values indicated by similar assets or comparable transactions. Using the Market approach, the appraiser conducts a review of historical sale transactions and lease rates. Values for a subject asset are then derived based on comparable data. In the Market Approach, values may also be derived from discussions with knowledgeable market participants and regulatory agencies.

Cost Approach

The third considered approach to valuation is the Cost Approach. This approach is based on the economic principle of substitution, and the asset value is influenced by the cost to substitute or replace the asset. The Cost Approach considers a comprehensive definition of cost, which may include time, materials, and opportunity cost of creating the asset.

Valuation Approaches Chosen

In performing this valuation, mba deemed the Cost and Market Approaches not appropriate in this case because the cost to create a brand does not reflect its true economic value, and there is not an adequate number of comparable transactions from which to draw a conclusion of value.

The Income Approach is the most common approach in the valuation of intangible assets. A valuation analyst can use a number of methods under the income approach to estimate the value of specific intangible assets. Some of the most common methods include the Relief from Royalty, multi-period excess earnings (MPEEM), With-or-Without, and Greenfield.

These intangible asset valuation methods are applied in the following ways:[19]

- The Relief from Royalty method determines value by reference to the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the asset from a third party.
- The MPEEM removes cash flows associated with the contributory assets with contributory asset charges, which reflect an economic rent for the use of the assets. Said differently, the MPEEM offsets positive cash inflows from contributory assets, as embedded in the operating margin of a business, by effectively subtracting the cash flow in the form of rents (cash outflow).
- The Greenfield method removes cash flows associated with the contributory assets in the form of investment dollars to build or buy the contributory assets. That is, the Greenfield method offsets positive cash inflows from the use of contributory assets, as embedded in the operating margin of a business, by effectively subtracting the cash flow in the form of up-front investments (cash outflow).
- The With-or-Without method estimates the fair value of an asset by comparing the value of the business inclusive of the asset to the hypothetical value of the same business excluding the asset.

Relief from Royalty is the most commonly used method for brand, intellectual property, and technology applications. Given the importance of the Subject Asset to the Subject Entity's revenue and the availability of an applicable royalty rate, mba determined the Relief from Royalty method was most appropriate.

Income Approach—The Relief from Royalty Method

Application of the Relief from Royalty method requires the preparation of a reliable forecast of the expected future financial performance of the Subject Entity. In this context, the Subject Asset's future financial performance is a reflection of the Subject Entity's future revenues, the royalty rate, and taxes, going forward indefinitely.

Forecasted cash flow must then be discounted to a present value using a Discount Rate that appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows. Finally, an assumption must be made regarding the sustainable long-term rate of earnings growth at the end of the forecast period, and the terminal or residual value of the remaining cash flows must be discounted back to a present value. The sum of the present values of the forecasted cash flows and the terminal value equals the value of the asset.

[19] https://www.oecd.org/tax/transfer-pricing/47426115.pdf.

Royalty Rate Determination

In determining this royalty charge, mba relied on industry knowledge and intelligence, comparable data points, its market expertise, and current analysis of market trends and conditions. The royalty rate analysis consisted of the following steps:

- Identification of comparable third-party license agreements for intellectual property.
- Evaluation of these agreements for comparability and selection of the most comparable licenses.
- Evaluation of the historical/forecasted profit margins generated by the Subject Entity.
- Selection of appropriate royalty rates based on our consideration of select third-party agreements, relevant outlook, historical/forecasted margins, and brand recognition.

mba used its internal proprietary database of precedent transactions and RoyaltySource[20] and RoyaltyStat[21] databases to identify royalty rates for comparable licensing agreements by asset type. mba relied heavily on agreements within its proprietary database, as these were the most sufficiently comparable for this Valuation.

The profitability of the Subject Entity is an important consideration in the selection of the appropriate royalty rate for each license agreement. A licensee's expected profitability is a key consideration when entering into a license agreement and agreeing to the royalty rate, as a licensee's profitability must be able to support the royalty necessary for use of the intellectual property.

The full year financial statements for the Subject Entity[22] are summarized below.

(US$M)	2021[23]	2022	2023	2024E	2025F
REVENUE	$337	$4,048	$4,771	$5,199	$5,596
REVENUE GROWTH, Y/Y			*17.9%*	*9.0%*	*7.6%*
EBITDA	$23	$414	$1,068	$1,182	$1,343
EBITDA MARGIN	6.8%	10.2%	22.4%	22.7%	24.0%

In the determination of the royalty rate for the Subject Asset, mba considered both the comparable license agreements and industry data. After considering these rates in conjunction with the historical and expected performance of the enterprise and industry and economic expectations, we have concluded that a 1.7% royalty rate as a percentage of net sales is appropriate for the Intellectual Property.

[20] https://www.royaltysource.com/.
[21] https://www.royaltystat.com/royaltystat.cfm.
[22] Full-year financials from consolidated financial statements and Client provided business plan.
[23] For the period from September 27, 2021 (Date of incorporation) to December 31 Restated.

Royalty Savings Forecast

For the Relief from Royalty analysis, mba utilized forward-looking pro-forma financial statements supplied by the Subject Entity's management team. In conjunction with the Client-supplied, pro-forma financial statements, mba ran an independent forecast of the Client's operations based on the Subject Entity's historical fleet, operating, and capacity data as well as mba's in-house knowledge of current and projected industry conditions. The mba forecast included an analysis of the Subject Entity's total revenue, which is the key driver of the Subject Asset's value. After a review of the forecasted operational metrics and corresponding revenues provided by the Client and compared with mba's internal forecast, mba found the financial projections forecasted by the Client to be reasonable and achievable. Assumptions in the mba model include annual cost inflation rates, annual jet fuel price per gallon growth curve, passenger traffic, and yield growth trends.

Revenue Adjustments

The Client provided forward-looking, pro-forma financial statements covering the years 2025 through 2027. For purposes of this valuation, mba considered the revenue benefits streams for passenger, ancillary, courier and other revenues. Loyalty and freight revenues were not considered. The following are adjustments applied in this valuation:

- **Royalty Rate Charge —** mba applied a 1.7% royalty charge to the Subject Entity's forecasted total revenue to determine the future benefit stream.
- **Tax Rate —** Due to tax compensation, the Subject Entity's effective tax rate of 0.0% was applied to the forecast.
- **Terminal Growth Rate -** At the conclusion of the forecast period, mba applied a terminal growth rate to the forecasted 2027 cash flows. mba assumed a terminal growth rate of 4.4% to be appropriate considering the industry, business model, and regional consumer behaviors. This rate is between the passenger traffic growth rate estimate over the next 20 years of 4.9% for South America-South America, and 5.1% for Central America-South America.[24]

Discount Rate Estimation

The Discount Rate applied to the forecasted benefit stream and terminal value must adequately reflect the nature of the applicable investment and the risk associated with the underlying cash flows. Stated another way, the Discount Rate represents the total rate of return that an investor would demand given the level of risk associated with an investment. For purposes of an enterprise valuation, mba derived the Subject Entity's Weighted Average Cost of Capital (WACC). This reflects the return required by all providers of capital weighted by their relative contribution to total capital.

[24] Boeing Commercial Market Outlook 2024–2043.

The after-tax Cost of Equity represents the return required by equity investors. mba considered two common methods of developing an appropriate Cost of Equity: the Buildup Method and the modified Capital Asset Pricing Model (CAPM). The Buildup Method starts with a risk-free rate of return and adds to it a number of identifiable risk factors. The modified CAPM is similar to the Buildup Method except that it requires the use of industry-specific beta information derived from similar public companies. For purposes of this Valuation Engagement, mba determined that the Buildup Method was appropriate for determining the Subject Entity's Cost of Equity.

The formula for the Buildup Method is $k_e = r_f + r_m + r_i + r_s + r_c$. The following definitions apply:

Cost of Equity Capital (k_e) - The return required by stockholders.

Risk-Free Rate (r_f) - The return on government securities with a term similar to that of the investment being valued.

Equity Risk Premium (r_m) - The additional return an investor expects in order to compensate for the additional risk associated with investing in equity securities instead of investing in a riskless asset; a measure of systematic risk.

Industry Risk Premium (r_i) - Unsystematic risk attributable to the industry in which the Subject Entity operates.

Size Premium (r_s) - Unsystematic Risk attributable to the widely acknowledged fact that smaller stocks, on average, are riskier than larger stocks and therefore require a greater return.

Country Risk (CRP) – Systematic Risk investors consider when investing in a specific country.

Specific Risk (r_c) – Unsystematic Risk attributable to a subject asset.

mba estimated the Subject Entity's Cost of Equity through the build-up method in the table below.

COST OF EQUITY

RISK-FREE RATE	3.5%
EQUITY RISK PREMIUM	5.0%
INDUSTRY RISK PREMIUM	3.0%
SIZE PREMIUM	3.0%
COUNTRY RISK	2.8%
SPECIFIC RISK	0.0%
ESTIMATED COST OF EQUITY CAPITAL (AFTER-TAX)	**17.2%**

The after-tax Cost of Debt represents the return required by debt investors on long-term interest-bearing debt.

The formula for the after-tax rate of return is $k_d = k \times (1-t)$. The following definitions apply:

Cost of Debt (k_d) - The return required by debt investors.

Pre-tax Cost of Debt Capital (k) - Pre-tax cost of debt capital based on the yield of corporate bonds with a rating similar to that of the investment being valued.

Effective Income Tax Rate (t) - The percent of income that a corporation pays in taxes.

mba estimated the Subject Entity's Cost of Debt in the table below:

COST OF DEBT

PRE-TAX COST OF DEBT CAPITAL	9.0%
EFFECTIVE INCOME TAX RATE	0.0%
ESTIMATED COST OF DEBT CAPITAL (AFTER-TAX)	**9.0%**

The risk factors used in the Buildup Method are individually computed and are intended to be independently additive and non-overlapping in their measurement of risk. The selected risk-free rate of return is the KROLL Normalized Risk-Free Rate. mba did not compute the risk premium factors and instead relied on the *KROLL Cost of Capital Navigator* in determining the Equity Risk Premium, Size Premium, and Industry Risk Premium. For the Industry Risk premium, mba observed the measures for GICS code 203020, "Airlines." This is the GICS classification for airlines. Specific risk is a matter of professional judgment and deals with the risk of the particular asset or company. The cost of debt for a company with ratings similar to the Subject Entity at the time of this valuation is estimated at 9.0%. Using a current industry-observed capital structure of 65.0% debt to 35.0% equity, mba calculated the WACC to be 11.9%.

The Subject Entity expects an effective tax rate of 0.0% to offset tax expenses with losses incurred due to COVID-19. mba considered a 0.0% tax rate for the WACC calculation during the forecast period. During the forecast period, mba calculated the WACC to be 11.9%. In determining the terminal value, mba applied a 35.0% tax rate and, correspondingly, used a WACC of 9.8%. The terminal value was discounted back to present using the WACC of 11.9%.

VIII. CONCLUSION OF VALUE

The following summarizes mba's Conclusion of Value of the Subject Asset as of the Valuation Date.

CONCLUSION OF VALUE (US$)	
AVIANCA'S BRAND INTELLECTUAL PROPERTY	$940,200,000

The Conclusion of Value was prepared solely for the purpose described in this Valuation Report and should not be used for any other purpose. The Conclusion of Value is subject to the Statement of Assumptions & Limiting Conditions found in Section X and the Representation of the Valuation Analysts found in Section XI.

IX. RISK FACTORS

The Conclusion of Value was determined assuming key factors affecting the value, including the economic, competitive, and financing environments. In the event any of these key factors affecting materially diverge in the future from mba's assumptions, mba's valuation results would be expected to change accordingly. Several of the major risks associated with these valuations are outlined below.

Regulatory Risks

mba's Conclusion of Value is based on the regulatory environment remaining in its currently expected state. In the event regulatory changes are adjusted, the Conclusion of Value expressed in this Valuation Report could change significantly as market share and market size changes within the Subject Entity's operations.

Economic Risks

mba's valuation is based on current economic conditions regarding global and regional economies. As stated earlier in the report, demand for air transport service is highly cyclical and is strongly correlated with economic trends. Therefore, a downturn in the global economy could have a negative impact on demand for passenger travel. Likewise, increased prosperity would have a positive effect on personal incomes, causing a rise in passenger traffic. As the air transport industry experiences these variances, the value of the Subject Entity could vary accordingly.

Competitive Risks

While the Subject Entity is in a strong position within its niche, the competition within the low-cost sector is fairly high. Consolidation of airlines in Canada may limit the number of potential competitors against the Subject Entity. Should further consolidation occur, this could impact the Subject Entity.

Revenue Risks

mba's valuation is based on the assumption that the Subject Entity will be able to meet or exceed the requirements set forth in the intellectual property licensing terms. If the Subject Entity does not attain or maintain these requirements, it could impact mba's valuation.

Reputation Risk

The Subject Entity relies heavily on its long-term reputation, tied to the brand name, for revenue. The profitability of the Subject Entity, and therefore the valuation, could be adversely impacted due to damage to the brand's reputation.

Long-Term Contract Risks

mba's valuation is based on the assumption that the Subject Entity's license agreement will carry out through the negotiated term period. Variation in future contract terms negotiated by the Subject Entity may result in a positive or negative impact on mba's valuation.

Cyber-Security Risks

The Subject Entity's value is tied to its use of technology as a value driver. Strategic initiatives, such as outsourcing, use of third-party vendors, cloud migration, mobile technologies, and remote access, are used to drive growth and improve efficiency but also increase cyber risk exposure. If the Subject Entity is exposed to a cyber attack or data breach, there is a risk of damage and destruction of data or monetary loss, including theft of intellectual property, productivity losses, and reputational harm.

Other Risks

There are several other risks to the valuation expressed herein, including but not limited to the threat of terrorist attacks, natural disasters, and pandemic illness, such as the outbreak of Coronavirus, the H1N1 virus (swine flu), SARS, or bird flu.

X. STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

1. The Conclusion of Value arrived at herein is valid only for the stated purpose as of the Valuation Date.

2. Financial statements and other related information provided by the Subject Entity or its representatives in the course of this engagement have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. mba has not audited, reviewed, or compiled the financial information provided to us and, accordingly, expresses no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources mba believes to be reliable. However, mba makes no representation as to the accuracy or completeness of such information and has performed no procedures to corroborate the information.

4. mba does not provide assurance on the achievability of the results forecasted by the Subject Entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

5. The Conclusion of Value arrived at herein is based on the assumption that the current level of management expertise and effectiveness will continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. The Valuation Report and its Conclusion of Value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The Conclusion of Value represents the considered opinion of mba, based on information furnished to mba by the Subject Entity and other sources.

7. The Valuation Report and its Conclusion of Value will not be disseminated by the Subject Entity or by any of its agents to other firms considered to be competitors to mba in the airline route valuation field without the prior express written approval of mba.

8. Future services regarding the subject matter of this Valuation Report, including but not limited to testimony or attendance in court, shall not be required of mba unless previous arrangements have been made in writing.

9. mba has not determined independently whether the Subject Entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. mba's valuation takes no such liabilities into account, except as they have been reported to mba by the Subject Entity or by an environmental consultant working for the Subject Entity, and then only to the extent that the liability was reported to mba in

an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to mba, mba has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. No change of any item in this Valuation Report shall be made by anyone other than mba, and mba shall have no responsibility for any such unauthorized change.

11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the Subject Entity due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

12. mba has corresponded with the current management of the Subject Entity concerning the past, present, and prospective operating results of the Subject Entity.

13. mba has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

XI. REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the date written below, to the best of mba's knowledge and belief, that:

- The analyses, opinions, and Conclusion of Value included in the Valuation Report are subject to the specified Assumptions and Limiting Conditions and are the personal analyses, opinions, and Conclusion of Value of the valuation analyst.
- The valuation analyst is unrelated to the Subject Entity and has no current or expected interest in the Subject Entity or its assets.
- The Valuation Report was prepared for the purpose stated therein. The Valuation Report is not intended to be and should not be used for any other purpose.
- The valuation analyst has no obligation to update the Valuation Report or the Conclusion of Value for information that comes to his or her attention after the date indicated above.
- The valuation analyst's compensation for the Valuation Engagement is in no way contingent on the outcome of the valuation.
- This report represents mba's opinion as to the value of the Subject Assets and is intended to be advisory only and is not given for or as an inducement for any specific financial transaction. Therefore, mba assumes no financial responsibility or legal liability for decisions or actions taken or not taken by the Subject Entity or any other party with regard to the Subject Assets. mba accepts no responsibility for damages, if any, claimed by a third party as a result of decisions or actions taken based on the information contained in this report. By accepting this report, all parties agree mba shall bear no such responsibility or legal liability. mba consents to the use of this appraisal report as required by the terms in the indenture.

PREPARED BY:

Anala Ravinarayan
Director | Airline & Airport Services
mba Aviation

January 13, 2025

REVIEWED BY:

Anne Agnew Correa, CVA
Senior Vice President | Airline & Airport Services
mba Aviation

ANNEX D — MBA AVIATION APPRAISAL REPORT OF AVIANCA GROUP INTERNATIONAL LIMITED'S ROUTE FRANCHISE NETWORK

[Attached]

Valuation of:
Avianca Group International Limited's Route Franchise Network

Client:
Avianca Group International Limited

Date:
January 13, 2025

Headquarters:

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I. VALUATION SUMMARY

VALUATION SUMMARY	
SUBJECT ENTITY	Avianca Group International Limited
SUBJECT ASSET	Avianca Group International Limited's Route Franchise Network
PURPOSE OF VALUATION	Consideration for Financing Agreement
STANDARD OF VALUE	Owner's Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	January 2, 2025
VALUATION APPROACHES	Income Approach
VALUATION METHODS	Discounted Cash Flow Method
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	US$1,304,993,000

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation (mba) was engaged by Avianca Group International Limited (Avianca, the "Client," or the "Subject Entity") to estimate the value of certain collateral relating to the Subject Entity's Route Franchise Network as of January 2, 2025 (the "Valuation Date"). Throughout this Valuation Report, mba will commonly refer to the Subject Entity's route franchise network as the "Subject Routes" and the relevant countries the routes connect as the "Subject Region."

It is understood by mba that the Conclusion of Value will be used by the Client in connection with a financing agreement. mba understands that this report may be provided to agents, lenders, and other parties in connection with such financing agreement. This Valuation Report was prepared solely for the purpose described in this paragraph and, accordingly, should not be used for any other purpose. This Report should not be distributed to any party other than the Client or the agents, lenders, and other parties in connection with such financing agreement without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Routes as of the Valuation Date. For the purpose of this valuation, historical financials and other information covering the results of the Subject Entity's operations were used, including forecasted financial performance and estimates of passenger growth provided by the Client. It is mba's understanding that this information represents the most complete and reliable financial information available as of the date of this report. In this valuation, mba considered only circumstances that existed as of, and events that occurred up to, the Valuation Date. However, events occurring after the Valuation Date but before the date of this report (i.e., subsequent events) were taken into account to the extent that they were indicative of conditions that were known or knowable as of the Valuation Date.

Standard & Premise of Value

Two important concepts mba considered before beginning this engagement were the applicable Standard of Value and Premise of Value. Standard of Value deals with the definition of value or the type of value being proffered. Numerous Standards of Value exist and may be applicable for a particular valuation, depending on the purpose of that engagement. For this valuation, the applicable Standard of Value is Owner's Value. Owner's Value deals with the value of the asset to the current owner, given the owner's current use of the asset.

Premise of Value deals with the "how" in a transaction. The valuation premise may be either in-use or in-exchange, with the determining factor being the highest and best use as considered from a market participant's perspective. In this case, the Conclusion of Value is based on an in-use valuation premise of Going Concern, which assumes that the Subject Entity will continue to operate into the future.

Scope of the Valuation Engagement

The Subject Entity provided mba with monthly revenue, cost, and operating data related to each specific route, including operating capacity, passenger revenues, operating costs, and profitability for the period from January 2022 to October 2024. mba consulted with the Subject Entity's management in developing operating and capacity assumptions into the future. In addition, mba applied various modeling assumptions for the forecast period, based on its review of the data supplied by the Subject Entity, as well as mba's in-house knowledge of current and projected industry conditions. These assumptions include annual cost inflation rates, annual jet fuel price per gallon growth curve, passenger traffic, and yield growth trends.

mba has valued the Subject Routes and considered the following factors in this valuation.

- The nature of the Subject Routes, network coverage, and connecting traffic;
- The economic outlook in general and the condition and outlook of the specific network regions;
- The market position, competitive strength and yield potential of the Subject Routes;
- The regulatory and political environment including bilateral agreements and traffic rights, and
- The earning capacity of the Subject Routes and the associated cash flows on a ten-year rolling basis, combined with a Terminal Value assessment. For the purposes of this valuation, Cash Flow (CF) is defined as Net Income adjusted for the Subject Entity's Depreciation & Amortization and Capital Expenditure (CAPEX) requirements.

mba's scope of work included but was not necessarily limited to the following:

- Discussions with management concerning the Subject Routes, financial and operating history, and forecasted future operations of the network;
- Analysis of historical data provided by the Subject Entity;
- Analysis of forecasted financial and operational data concerning the Subject Routes;
- Research concerning the Subject Routes; its financial and operating history; the nature of its products, services, and technologies; and its competitive position in the marketplace;
- Research and analysis on current economic conditions and the outlook for the regions associated with the Subject Routes;
- Analysis and estimation of the value of the Subject Routes as of the Valuation Date.

Sources of Information

In order to reach the Conclusion of Value and prepare this Report, several sources were used, including but not limited to:

- Operational Results and Future schedules for the Subject Routes, provided by the Client;
- The Subject Entity's website and press releases;
- The Subject Entity's SEC filings;
- OAG Schedules Data;
- Boeing's Current Market Outlook 2024–2043;
- Airbus's Global Market Forecast 2024–2043;
- Bloomberg crude oil futures and crack spread projections;
- The World Bank's World Development Indicators;
- The International Monetary Fund's World Economic Outlook Database;
- The Bureau of Labor Statistics Consumer Price Index Data;
- The United States (U.S.) Department of State website for Bilateral Agreements;
- mba calculated lease rates and internal data and information; and
- Other industry news sources and internet research.

III. SUBJECT ENTITY OVERVIEW

Nature, Background, & History

Avianca Group International Limited (Avianca, or "AGIL") is a privately held company domiciled in the United Kingdom (U.K.), with operations in passenger and cargo airlines. Through its subsidiaries, Avianca is a leading Latin American airline whose network consisted of 152 routes in 75 destinations as of the end of the third quarter of 2024, both in the domestic markets of Colombia, Ecuador, and Central America and international routes in North, Central and South America, Europe, and the Caribbean. As of September 2024, Avianca's fleet was comprised of 163 aircraft, including 124 Airbus 320 and 16 Boeing 787 Dreamliner.

The main shareholders of Avianca and the controlling shareholder of GOL signed a historic agreement on May 11, 2022, to create Latin America's leading air transport group under a holding structure called Abra Group Limited ("Grupo Abra"). Subject to customary regulatory approvals and closing conditions, Abra will control Avianca and GOL, bringing their iconic brands together within one group. Grupo Abra combines Avianca and GOL's synergistic businesses, resulting in a Latin American airline network with the lowest unit cost within each respective market and with the region's leading loyalty programs. AGIL is a controlled entity of Abra Group Limited ("Abra") since April 3, 2023. AGIL is the parent entity of a group of leading providers of air travel and cargo services in Latin America and around the globe.

Avianca's Cargo Business Unit, Avianca Cargo, is a leader in the air cargo industry within several markets across the Americas, transporting perishables, textiles, pharmaceuticals, technology, and more. Avianca Cargo, with a cargo fleet of six Airbus 330 freighter, three Airbus 300 freighter, two Boeing 767 freighter aircraft, and belly operation in more than 100 passenger aircraft, operates within more than 50 destinations. Avianca Cargo transported more than 450,000 tons of cargo in 2022 and is the number one cargo airline, based on volume, of cargo transported currently operating from El Dorado International Airport (Bogota, Colombia) and one of the most relevant air cargo carriers at Miami International Airport (Miami, United States).

Avianca Group's Loyalty Program is operated by LifeMiles Ltd., which became 100.0% owned by Avianca in 2021. LifeMiles, one of the region's largest loyalty programs, facilitates the accrual and redemption of miles for both Avianca and a wide network of commercial partners, including other airlines, banks, fashion retailers, restaurants, and more. LifeMiles has more than 12 million members and 400 commercial partners worldwide, increasing customer loyalty and attracting new customers to the airline while representing an important source of profitability and cash flow for Avianca Group. Its primary markets are Colombia, Central America, the United States (U.S.), and Ecuador.[1]

[1] Investor Relations, avianca.com.

The full-year financial statements for the Subject Entity[2] are summarized below.

(US$M)	2021[3]	2022	2023	2024E	2025F
REVENUE	$337	$4,048	$4,771	$5,199	$5,596
REVENUE GROWTH, Y/Y			*17.9%*	*9.0%*	*7.6%*
EBITDA	$23	$414	$1,068	$1,182	$1,343
EBITDA MARGIN	6.8%	10.2%	22.4%	22.7%	24.0%

During 2024, 83 different operators offered service from the Subject Airline's core and target markets.[4] The top five operators control 68.6% of total seat capacity. The 20 carriers from the core and target markets are listed below by number of seats offered.

CARRIER	COUNTRY	LOW-COST CARRIER (LCC)	SEATS	FREQUENCIES
AVIANCA	Colombia		41,990,221	232,459
VIVAAEROBUS	Mexico	✓	29,731,616	149,009
VOLARIS	Mexico	✓	29,049,094	145,102
AEROMEXICO	Mexico		25,043,307	170,804
LATAM AIRLINES GROUP	Chile		16,675,875	97,993
COPA AIRLINES	Panama		13,060,082	81,728
AMERICAN AIRLINES	USA		7,863,276	50,748
UNITED AIRLINES	USA		6,305,428	41,640
DELTA AIR LINES	USA		3,459,268	19,408
AERO REPUBLICA	Colombia		3,251,466	17,481
JETSMART	Chile	✓	3,110,752	16,669
CLIC AIR S.A.	Colombia		2,379,230	33,989
WESTJET	Canada		2,337,722	12,825
AIR CANADA	Canada		2,134,948	11,026
SPIRIT AIRLINES	USA	✓	2,062,003	10,818
SOUTHWEST AIRLINES	USA	✓	1,726,400	11,040
ALASKA AIRLINES	USA		1,577,646	9,408
JETBLUE	USA	✓	1,525,921	8,905
SATENA	Colombia		1,323,810	27,130
SUNWING AIRLINES INC.	Canada	✓	1,151,199	6,091

Sources: OAG Schedules Analyzer Data, Full Year 2024 as of December 2024, mba Aviation Analysis

[2] Full-year financials from consolidated financial statements and Client provided business plan.
[3] For the period from September 27, 2021 (Date of incorporation) to December 31 Restated.
[4] Core market is Colombia, Target markets include Ecuador and all of Central America.

IV. OPERATING ENVIRONMENT

Colombia Authority Overview

The governmental entity in charge of regulating, directing, and supervising civil aviation in Colombia is the Unidad Administrativa Especial de Aeronáutica Civil (Aerocivil). Aerocivil oversees civil aviation, air traffic control, airport management, and air transport policy in Colombia. Colombia has partial open skies agreements. As a member of the Latin American Civil Aviation Commission (LACAC), Colombia participates in efforts to liberalize regional airspace and harmonize regulations. Within the Andean Community (CAN), which includes Bolivia, Ecuador, Peru, and Colombia, air transport agreements facilitate greater connectivity and reduced restrictions. Colombia signed an Open Skies agreement with the U.S. (effective since 2011) that allows for unlimited frequencies, routes, and capacities between U.S. and Colombian carriers. Colombia does not have a full Open Skies agreement with Europe. Instead, it maintains bilateral agreements with individual European Union (EU) member states.

Ecuador Authority Overview

The governmental entity in charge of regulating, directing, and supervising civil aviation in Ecuador is the Dirección General de Aviación Civil (DGAC Ecuador). DGAC regulates and controls civil aviation operations, ensures safety standards, and manages Ecuadorian airspace. Ecuador maintains bilateral agreements with many Latin American countries to liberalize air services on specific routes. Within the Andean Community (CAN), which includes Bolivia, Ecuador, Peru, and Colombia, air transport agreements facilitate greater connectivity and reduced restrictions. Ecuador has an Open Skies agreement with the U.S. Ecuador does not have an Open Skies agreement with Europe. However, it has signed bilateral agreements with several European countries to govern air traffic rights.

Central America Authority Overview

In Central America, the region is unique as it shares a regional aviation authority while maintaining national entities. The governmental entity in charge of overseeing aviation activities and safety standards for the region under ICAO guidance is the Organización de Aviación Civil Internacional - Oficina Regional NACC (North American, Central American, and Caribbean Office). Under the Central American Integration System (SICA), efforts have been made to create a more liberalized regional aviation market. While full Open Skies do not yet exist across the region, member countries (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama) have agreed to facilitate regional flights and reduce operational barriers between member states. Several Central American countries have Open Skies agreements with the U.S. The nations of Costa Rica, Guatemala, Nicaragua, Honduras, El Salvador, and Panama each signed their Open Skies agreements with the U.S. in 1997. Central America does not have a region-wide Open Skies agreement with Europe. However, several bilateral air service agreements exist between individual Central American countries and European nations.

Latin America's key airports face significant challenges related to capacity constraints and infrastructure limitations. Many airports operate under slot restrictions and coordination due to high demand and limited expansion capabilities. These measures aim to prevent congestion, optimize air traffic flow, and uphold safety standards. However, they pose challenges for airlines looking to expand their services, particularly for low-cost carriers and new entrants, who often struggle to acquire desirable slots. As passenger traffic in the region nears pre-pandemic levels, addressing slot allocation, improving airport infrastructure, and increasing operational efficiency will be essential for supporting the growth of Latin America's aviation sector. Investments in airport expansions and regional connectivity will also play a crucial role in enhancing the region's aviation network and fostering competition and innovation.

Airport slot coordination is a means of managing airport capacity through the application of a set of rules contained in the Worldwide Airport Slot Guidelines (WASG). For the purposes of airport coordination, airports are categorized by the responsible authorities according to the following levels of congestion:

Level 1: airports where the capacity of the airport infrastructure is generally adequate to meet the demands of airport users at all times.

Level 2: airports where there is potential for congestion during some periods of the day, week, or season but that can be resolved by schedule adjustments mutually agreed between the airlines and facilitator. A facilitator is appointed to facilitate the planned operations of airlines using or planning to use the airport.

Level 3: airports where capacity providers have not developed sufficient infrastructure or where governments have imposed conditions that make it impossible to meet demand. A coordinator is appointed to allocate slots to airlines and other aircraft operators using or planning to use the airport as a means of managing the declared capacity.

There are currently 215 Level 3 airports worldwide, listed below by region.

REGION	LEVEL 3 AIRPORTS
EUROPE	110
ASIA PACIFIC	45
NORTH ASIA	25
MIDDLE EAST AND AFRICA	21
THE AMERICAS	14
TOTAL	**215**

Source: World Airport Slot Guidelines (WASG) Northern Summer 2025 Slot Designation

Avianca's 2024 route franchise includes 9 Level 3 airports and 8 Level 2 airports.

AIRPORT CODE	COUNTRY	CITY	LEVEL
BCN	Spain	Barcelona	3
BOG	Colombia	Bogota	3
CDG	France	Paris-Ch. De Gaulle	3
CNF	Brazil	Tancredo Neves	2
GIG	Brazil	Rio de Janeiro	2
GRU	Brazil	Sao Paulo	3
HAV	Cuba	Havana	3
LAX	United States	Los Angeles	2
LIM	Peru	Lima	3
MAD	Spain	Madrid Barajas	3
MCO	United States	Orlando	2
MEX	Mexico	Mexico City	3
ORD	United States	Chicago-O' Hare	2
SDQ	Dominican Republic	Santo Domingo	2
SFO	United States	San Francisco	2
YUL	Canada	Montreal	2
YYZ	Canada	Toronto	3

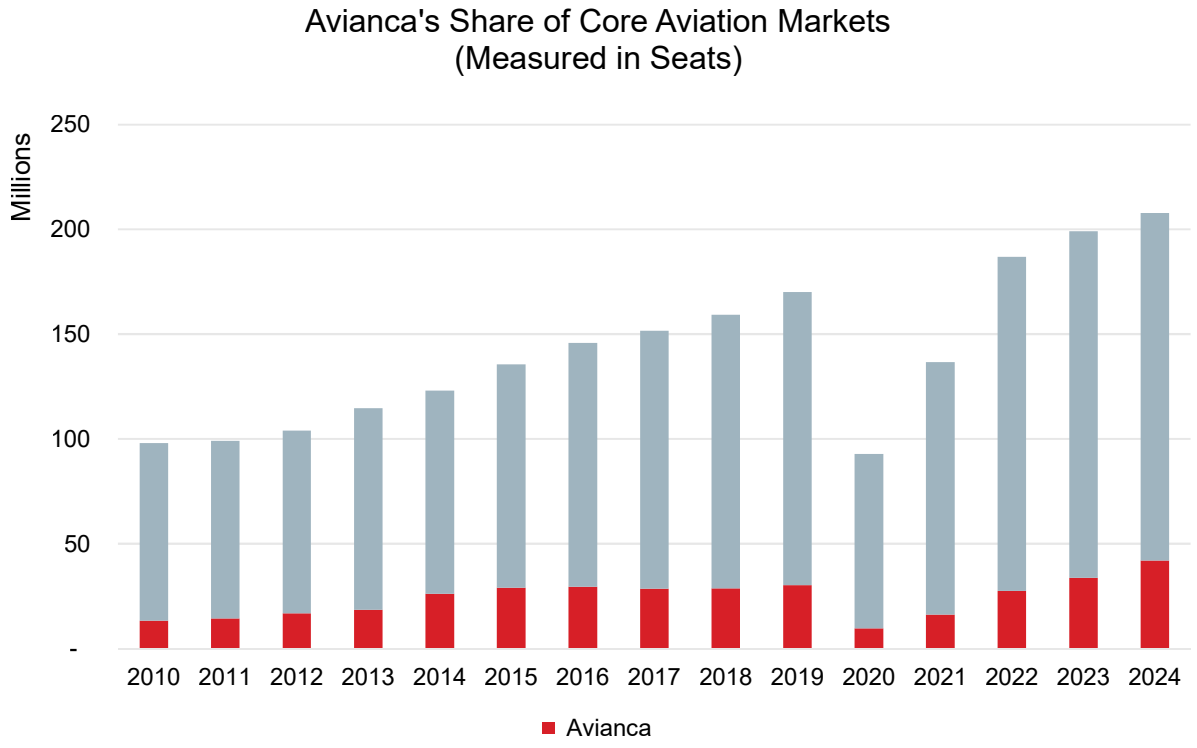
Source: World Airport Slot Guidelines (WASG) Northern Summer 2025 Slot Designation

V. MARKET OVERVIEW

Latin American Market Overview

According to the United Nations, over half of the Western Hemisphere's inhabitants reside in the 33 countries comprising Latin America and the Caribbean—an estimated population of 670 million in 2024. Across those countries, there are 151 airlines and 531 airports with scheduled services in September 2024.[5] Notably, almost half of international capacity operates to other destinations within Latin America, while nearly 40.0% operates to North America. Growth is strong across the continent, with 39 million seats this September—a 5.0% increase from September 2023. However, there are differences at the regional level. Countries in Upper and Lower South America are experiencing growth while capacity in the northern part of the continent, the Caribbean and Central America, is contracting.

The traffic in the Subject Region is expected to grow 3.5%–5.6% annually over the next 20 years. Colombians still have a low propensity to travel, with an average trip per capita at 0.7 in 2023.[6] Avianca[7] has maintained an average 52.1% market share of the Colombian aviation market, measured in seats, for the last decade. Avianca's market share has been, on average, 17.0% when expanding to all core and target markets.[8]



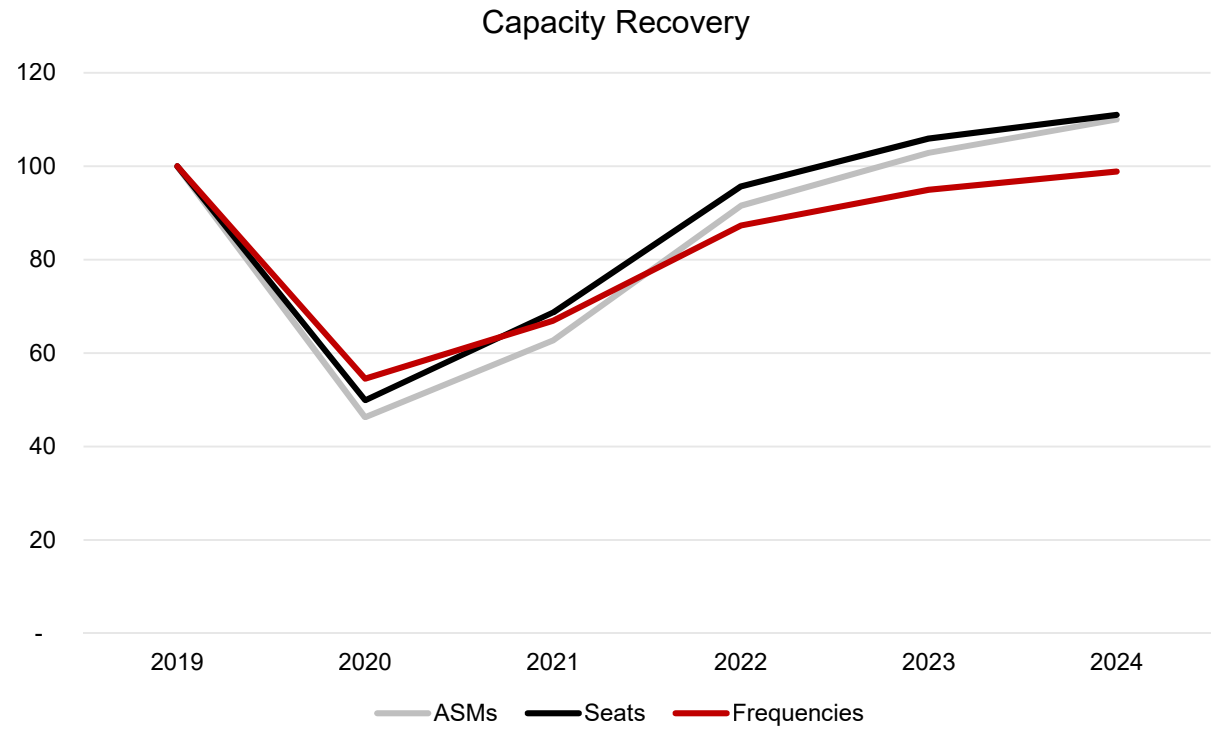
Source: OAG Schedules Data, Full Year 2024 unless otherwise stated; Data as of December 2024; mba Aviation Analysis

[5] OAG.
[6] Airbus's Global Market Forecast 2024–2043 and Boeing's Commercial Market Outlook 2024–2043.
[7] Avianca experienced financial restructuring between 2020 and 2021 but has operationally retained the name Avianca. Seats measured is an operational metric.
[8] Core market is Colombia, Target markets include Ecuador and all of Central America.

Capacity Analysis

Commercial aviation in Latin America and the Caribbean (LAC) recorded 451.6 million air passengers in 2023, a historic number for the region, according to the Latin American and Caribbean Air Transport Association (ALTA). This represents an additional 52.9 million passengers, up 13.3% compared to 2022 and a solid 3.9% above 2019 levels. Latin American carriers are flying 10.0% more ASMs than before the pandemic. They are offering 11.0% more seats on 1.1% fewer flights. This can be explained by an emphasis on operational efficiency and aligning capacity with market demand while addressing aircraft constraints due to delivery delays.

Latin America's key airports face significant challenges related to capacity constraints and infrastructure limitations. Mexico City International Airport (MEX), São Paulo's Guarulhos (GRU) and Congonhas (CGH), Bogotá's El Dorado (BOG), and Lima's Jorge Chávez (LIM) airports operate under strict slot restrictions due to high demand and limited expansion capabilities. These measures aim to prevent congestion, optimize air traffic flow, and uphold safety standards. However, they pose challenges for airlines looking to expand their services, particularly for low-cost carriers and new entrants, who often struggle to acquire desirable slots. As passenger traffic in the region nears pre-pandemic levels, addressing slot allocation, improving airport infrastructure, and increasing operational efficiency will be essential for supporting the growth of Latin America's aviation sector. Investments in airport expansions and regional connectivity will also play a crucial role in enhancing the region's aviation network and fostering competition and innovation.



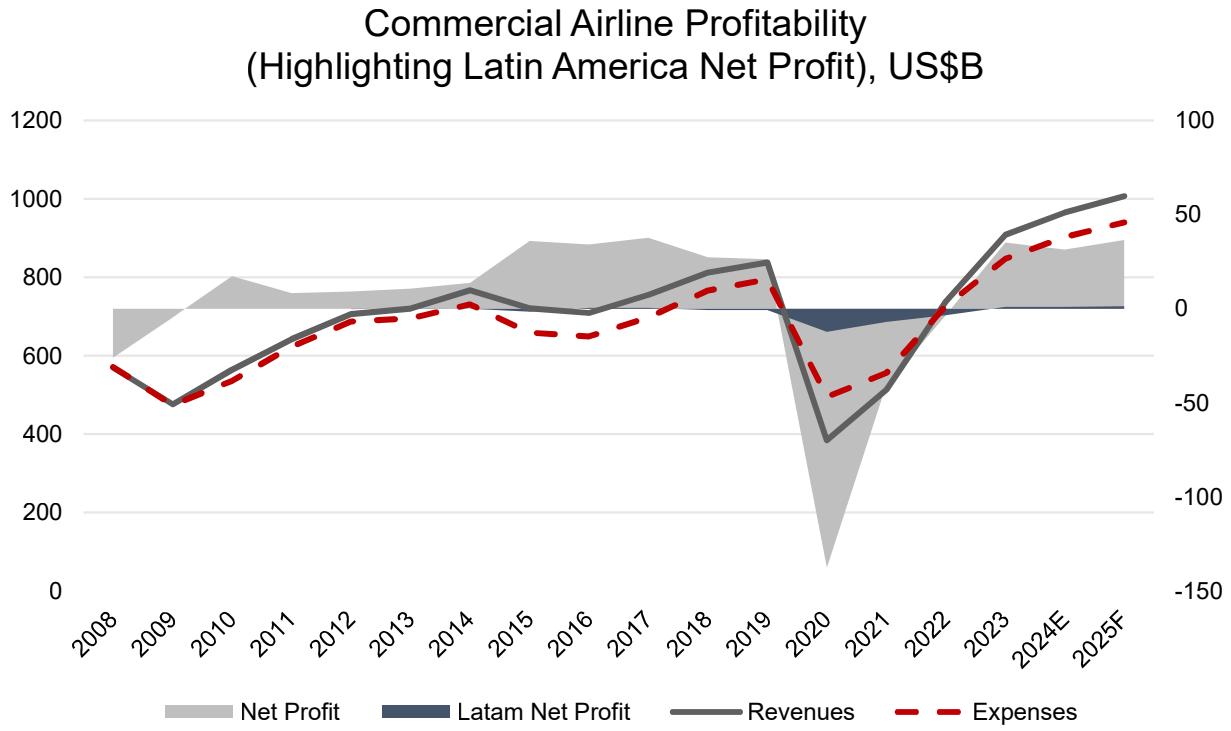
Sources: OAG Schedules Data, Data as of December 2024; mba Aviation Analysis

Industry Profitability

The air transport industry is expected to report a relatively strong profit in 2024 despite rising costs and limits on capacity building. Airlines have faced wage increases and higher operating costs, some because of the longer routes imposed by airspace restrictions. A major impact stems from delivery delays and other issues in the supply chain. Airlines are forced to keep flying older airplane models, which negatively affects fuel efficiency and increases maintenance costs. The bottom line is projected to generate a net profit of US$31.5 billion in 2024 with a 3.3% net profit margin.

In 2025, airlines' revenues are expected to surpass the evocative US$1 trillion mark. The top-line growth and lower fuel prices should translate into higher profitability. IATA forecasts a net profit of US$36.6 billion—a record high for the industry—at a still meager 3.6% net profit margin. Load factors will likely remain high as supply chain issues continue to impact 2025 and beyond.

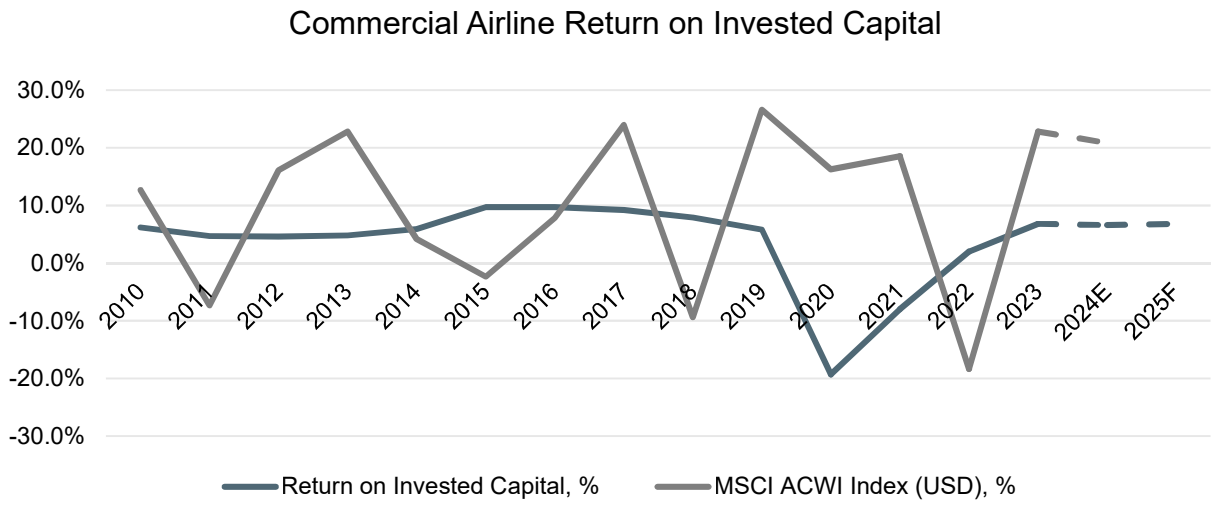
The graph below displays profitability numbers for the global airline industry as per IATA.



Source: IATA Update as of December 2024, mba Aviation Analysis

Return on Invested Capital

The stability in airline margins and ROIC leading up to 2019 was driven by a strong economy, allowing unit cost increases to be recovered through higher load factors and some rise in yields. After reaching a low in 2020, the industry's financial performance has risen in line with traffic volumes. With ROIC turning positive again in 2022 at 2.0%, the metric is improving and is expected to increase to 6.6% in 2024. The graph below presents airline industry ROIC compared to annual returns for MSCI's ACWI index, which is a global equity index capturing both developed and emerging markets.



Source: IATA Update as of December 2024, MSCI (YTD Data as of Nov 29, 2024)

In addition to code sharing and partnerships, operators in Latin America have benefitted from equity investment by global airlines. Delta continues its expansion plan in Latin America with its joint venture with LATAM Airlines Group. Delta initially announced an acquisition of a 20.0% stake in the Latin American carrier but reduced its targeted stake to 10.0% as LATAM emerged from restructuring. Qatar Airways also has a 10.0% share of LATAM. After Aeromexico emerged from Chapter 11, Delta reduced its interest in Grupo Aeroméxico from 49.0% to 20.0%.[9] In December 2022, American Airlines completed an investment agreement with JetSmart, representing 35.4% ownership, and in April 2022, it announced an investment agreement with GOL Linhas Aereas (GOL).[10] Air France–KLM purchased a 1.5% equity stake in GOL in 2014.[11] United Airlines has an 8.0% preferred equity stake in Azul Linhas Aéreas Brasileiras S.A. (Azul).[12] As of September 2023, United Airlines also has equity investments in Abra Group Limited.

Latin America has seen growth in airline investors. Large players, like Indigo Partners—a private equity firm—hold significant stakes in Chilean LCC JetSmart and Mexican LCC Volaris.

[9] Delta Air Lines 2023 10K.
[10] American Airlines 2023 10K.
[11] https://corporate.airfrance.com/en/press-release/air-france-klm-and-gol-sign-partnership.
[12] Azul S.A. 2023 20F.

VI. VALUATION APPROACHES & METHODS CONSIDERED

To arrive at the Conclusion of Value, mba considered three generally accepted approaches to valuation, namely: the Income Approach, the Market Approach, and the Cost Approach. The Income Approach seeks to convert future economic benefits into a present value. The Market Approach relies on values indicated by similar assets or comparable transactions. The Cost Approach is based on a comprehensive or all-inclusive analysis of the relevant cost components.

Income Approach

The Income Approach is based on the premise that the value of a security or asset is the present value of the future earnings capacity that is available for distribution to investors in the security or asset. Expected future earnings capacity can be measured by one of various benefit streams, such as cash flows, net income, or earnings before taxes, and can be calculated on a debt-free or after-debt basis. The choice of a proper stream of benefits depends on various factors, such as the enterprise's capital structure and its line of business. The Income Approach typically requires entity-specific assumptions, which are evaluated in the context of marketplace assumptions.

Two methods commonly used in the Income Approach are the Discounted Cash Flow Method and the Capitalization of Cash Flow Method. In the Discounted Cash Flow Method, future benefit streams are forecasted for a discrete period of time and then discounted back to their present value using a Discount Rate commensurate with the deemed level of risk. The Discounted Cash Flow Method is a multi-period model that also factors in the present value of a terminal value.

In the Capitalization of Cash Flow Method, the expected benefits for one time period are capitalized into perpetuity using a Capitalization Rate that is equal to the Discount Rate minus the expected long-term sustainable growth rate. The Capitalization of Cash Flow Method is predicated on stable earnings and constant growth and is most appropriate when it appears that a company's current and historical earnings can be considered indicative of its future operating results. Put another way, it is inherent in this method that past or current performance is a reasonable predictor of future performance.

Discount Rates and Capitalization Rates vary among particular types of businesses and from one period of time to another due to a variety of risk factors. Expressed as a percentage, the more speculative a company's income stream is, the higher the Discount Rate and Capitalization Rate. Conversely, the more stable the income stream is, the lower the Discount Rate and Capitalization Rate.

Market Approach

The Market Approach references the valuation of actual transactions in the equity or whole enterprise of the Subject Company or similar companies to the Subject Company. Third-party transactions in the equity of the Subject Company or similar companies generally represent the best estimate of value if they are done at arm's length. Under the Market Approach, valuation multiples are derived using data regarding either

guideline companies with publicly traded equity or sale transactions involving similar businesses. Use of this approach requires a population of companies that are, as stated in IRS Revenue Ruling 59-60, in "the same or similar line of business" as the enterprise being valued and that have similar financial and operating characteristics. This approach is often difficult to implement for relatively small, closely held businesses because comparable guideline companies are scarce and reliable information is difficult to obtain.

Under the Guideline Public Company Method, some measure of value is derived from publicly traded stock prices of companies that are sufficiently similar to the business being valued to be classified as "guideline" companies. The value measure is usually some multiple computed by dividing the guideline company's market capitalization or the market value of invested capital (market capitalization plus interest-bearing debt) by some form of earnings or revenues. After suitable public companies are identified, valuation multiples can be derived, adjusted for comparability, and then applied to a subject entity to estimate the value of its equity or invested capital.

The Precedent Transaction Method, similar to the Guideline Public Company Method in its use of valuation multiples, focuses instead on transactions involving sales of entire companies. Such transactions reflect the varying facts and circumstances surrounding specific buyers and sellers (both stated and unstated). Information on such transactions can be obtained from various database services or industry publications. In addition, multiples derived from such transactions may not be indicative of fair market value, since they may reflect anticipated synergies sought after by a purchaser.

Asset Approach

The third considered approach to valuation is the Asset Approach. This approach is based on the economic principle of substitution and the asset value is influenced by the cost to substitute or replace the asset. The Asset Approach considers a comprehensive definition of cost, which may include time, materials, and opportunity cost of creating the asset.

The Asset Approach is generally applicable where the value of a business is concentrated in its tangible and identifiable intangible (i.e., not goodwill) assets and where such assets, when considered as a whole, produce a going concern value. The Asset Approach is frequently employed when determining the value of holding companies, family-limited partnerships, manufacturing concerns, or operating companies that have erratic or depressed earnings. In addition, the Asset Approach lends itself to valuing a controlling business interest since a minority owner, by definition, would not have the authority to acquire or liquidate assets. This is true because the assets are owned by the business and not by the owners of the business.

Valuation Approach Chosen

The three approaches considered in this Valuation Engagement were the Income, Market, and Asset approaches. Like many businesses, there is a strong correlation between the Subject Route's value and its ability to generate future operating cash flows or earnings. It is, therefore, appropriate to use the Income

Approach for this Valuation Engagement. To the extent that the Subject Route's current and historical results would be considered reasonable proxies for future benefits streams, the Capitalization of Cash Flow Method could be a suitable method under the Income Approach. It is mba's belief, given the contractual terms of future deliveries, that the Discounted Cash Flow Method is more suitable for this Valuation Engagement, and was the Method chosen under the Income Approach.

mba considered the available transactions of similar assets but ultimately concluded that the use of the Market Approach would not be relevant for this Valuation Engagement, as the transactions are well outside a reasonable time period and involve unique bilateral agreements that would not be appropriate for comparison.

Given the nature of the Subject Routes, mba concluded that use of the Asset Approach would not be appropriate for this Valuation Engagement, as this approach does not factor in the revenue-generating ability of the routes in question.

VII. VALUATION APPROACHES & METHODS USED

Income Approach—Discounted Cash Flow Method

Application of the Discounted Cash Flow Method requires the preparation of a reliable forecast of the expected future financial performance of the Subject Routes. In this context, the Subject Route's future financial performance is a reflection of its future revenues, operating expenses, taxes, working capital requirements, and capital expenditures over some discrete period of time.

Forecasted cash flow must then be discounted to a present value using a Discount Rate that appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows. Finally, an assumption must be made regarding the sustainable long-term rate of earnings growth at the end of the forecast period, and the terminal or residual value of the remaining cash flows must be discounted back to a present value. The sum of the present values of the forecasted cash flows and the terminal value equals the value of the franchise network.

Earnings Forecast and Cash Flow Adjustments

mba's valuation model is a bottom-up analysis of the Subject Entity's current and projected ten-year route-specific performance. Due to the significant volatility caused by fuel prices and economic demand, a ten-year detailed analysis was conducted to better incorporate the issues. Individual route results were projected with a detailed construction of yield, traffic, aircraft capacity, and operating cost data based on the Subject Entity's historical operating and financial performance. mba also applied various modeling assumptions for the forecast period based on its review of the data supplied by the Subject Entity as well as its internal knowledge of current and projected industry conditions. These assumptions include the annual cost inflation rates, annual jet fuel price per gallon growth curve, passenger traffic and yield growth trends, and projected monthly aircraft lease rates.

Traffic and Revenue Assumptions

Using the historical data as reference, mba developed annual passenger traffic and revenue projections for the ten-year rolling forecast period. The respective revenue projections are the result of a combination of traffic growth (RPK), available capacity (ASK), passenger yield, and average fare growth rates. In developing RPK and passenger yield growth projections, mba relied on historical data, mba industry knowledge, and figures from Boeing's *Current Market Outlook 2024–2043* and Airbus's *Global Market Forecast 2024–2043*. Passenger yield and average fares are in current dollar amounts (i.e., not discounted for annual inflation). Additionally, mba made projections by analyzing the Subject Entity's recent operational data and applying appropriate seasonality patterns to its forecasted results.

Expense Assumptions

The Subject Entity provided mba with line-item expenses for each route:

Direct Operating Expenses	Indirect Operating Expenses
Fuel	Administrative & Overhead
Crew—Pilots, Flight Attendants, Training	Marketing & Advertising
Aircraft – Ownership, Maintenance	IT & Technology
Airport & Navigation	
Passenger-Related	
Sales & Distribution	
Ground Handling	

mba developed appropriate operational and revenue cost drivers for each of the above cost items. These cost drivers reflect the relationship between specific cost items and the operating or revenue parameters that generate those costs. As the activity or revenue cost drivers change over the forecast period, based on mba's projections, the values of the corresponding cost items change accordingly. mba applied an annual inflation rate in line with forecasts made by the International Monetary Fund to the above list of unit costs for the Forecast Period, except for fuel and aircraft ownership costs.

Fuel

Data provided to mba indicates that for the 12 months ending October 2024, the Subject Entity paid an average of US$2.85 per gallon in aviation fuel to operate its services on the Subject Routes. In projecting yearly fuel prices per gallon, mba applied annual price increases to the base figures by route, based on actual jet fuel prices, and growth/decline rates forecasted by the Department of Energy[13] in conjunction with mba judgment. Total annual fuel costs were calculated by applying the annual projected fuel prices per gallon to fuel consumed on a route and aircraft-specific basis. Aircraft-specific fuel consumption rates per block hour were calculated based on data provided by the Subject Entity.

Aircraft Ownership

The Subject Entity supplied aircraft cost allocations for each route. mba forecasted aircraft ownership costs using a combination of the Subject Entity supplied aircraft cost data and mba proprietary data on the current fair market lease rates of the aircraft used on the Subject Routes. Forecasted aircraft ownership costs were approximated to be the annual cost the Subject Entity experienced to operate these aircraft on the Subject Routes for the forecast period.

[13] Bloomberg US Crude WTI Future and Jet Fuel vs. NYMEX WTI Crack Spread as of July 2024.

Maintenance

Costs were determined by evaluation of the Subject Entity's historic costs by route and aircraft.

Other Valuation Assumptions

Other relevant assumptions made by mba to complete this assignment include:

Inflation

mba analyzed the historic 120-month period to determine an appropriate inflation rate to use in the forecasted period and determined that an annual rate in line with IMF forecasts was appropriate, excluding potential future price shocks.

Tax Rate

Due to tax compensation, the Subject Entity's effective tax rate of 0.0% was applied to the forecast.

Capital Expenditures

mba projected the Subject Entity's annual capital expenditures to be equal to the previous year's projected Depreciation & Amortization amounts. mba assumed that as assets are consumed in passenger operations, the Subject Entity would replace them annually at equal cost. No additional capital expenditures were assumed above and beyond the Depreciation & Amortization amounts.

Terminal Growth Rate

At the conclusion of the forecast period, mba applied a terminal growth rate to the forecasted 2034 cash flows. mba assumed a terminal growth rate of 4.4% to be appropriate considering the industry, business model, and regional consumer behaviors. This rate is between the passenger traffic growth rate estimate over the next 20 years of 4.9% for South America-South America, and 5.1% for Central America-South America.[14]

[14] Boeing Commercial Market Outlook 2024–2043.

Discount Rate Estimation

The Discount Rate applied to the forecasted benefit stream and terminal value must adequately reflect the nature of the applicable investment and the risk associated with the underlying cash flows. Stated another way, the Discount Rate represents the total rate of return that an investor would demand given the level of risk associated with an investment. For purposes of an enterprise valuation, mba derived the Subject Entity's Weighted Average Cost of Capital (WACC). This reflects the return required by all providers of capital weighted by their relative contribution to total capital.

The after-tax Cost of Equity represents the return required by equity investors. mba considered two common methods of developing an appropriate Cost of Equity: the Buildup Method and the modified Capital Asset Pricing Model (CAPM). The Buildup Method starts with a risk-free rate of return and adds to it a number of identifiable risk factors. The modified CAPM is similar to the Buildup Method except that it requires the use of industry-specific beta information derived from similar public companies. For purposes of this Valuation Engagement, mba determined that the Buildup Method was appropriate for determining the Subject Entity's Cost of Equity.

The formula for the Buildup Method is $k_e = r_f + r_m + r_i + r_s + r_c$. The following definitions apply:

Cost of Equity Capital (k_e) - The return required by stockholders.

Risk-Free Rate (r_f) - The return on government securities with a term similar to that of the investment being valued.

Equity Risk Premium (r_m) - The additional return an investor expects in order to compensate for the additional risk associated with investing in equity securities instead of investing in a riskless asset; a measure of systematic risk.

Industry Risk Premium (r_i) - Unsystematic risk attributable to the industry in which the Subject Entity operates.

Size Premium (r_s) - Unsystematic Risk attributable to the widely acknowledged fact that smaller stocks, on average, are riskier than larger stocks and therefore require a greater return.

Country Risk (CRP) – Systematic Risk investors consider when investing in a specific country.

Specific Risk (r_c) – Unsystematic Risk attributable to a subject asset.

mba estimated the Subject Entity's Cost of Equity through the build-up method in the table below.

COST OF EQUITY

RISK-FREE RATE	3.5%
EQUITY RISK PREMIUM	5.0%
INDUSTRY RISK PREMIUM	3.0%
SIZE PREMIUM	3.0%
COUNTRY RISK	2.8%
SPECIFIC RISK	0.0%
ESTIMATED COST OF EQUITY CAPITAL (AFTER-TAX)	**17.2%**

The after-tax Cost of Debt represents the return required by debt investors on long-term interest-bearing debt.

The formula for the after-tax rate of return is $k_d = k \times (1-t)$. The following definitions apply:

Cost of Debt (k_d) - The return required by debt investors.

Pre-tax Cost of Debt Capital (k) - Pre-tax cost of debt capital based on the yield of corporate bonds with a rating similar to that of the investment being valued.

Effective Income Tax Rate (t) - The percent of income that a corporation pays in taxes.

mba estimated the Subject Entity's Cost of Debt in the table below:

COST OF DEBT

PRE-TAX COST OF DEBT CAPITAL	9.0%
EFFECTIVE INCOME TAX RATE	0.0%
ESTIMATED COST OF DEBT CAPITAL (AFTER-TAX)	**9.0%**

The risk factors used in the Buildup Method are individually computed and are intended to be independently additive and non-overlapping in their measurement of risk. The selected risk-free rate of return is the KROLL Normalized Risk-Free Rate. mba did not compute the risk premium factors and instead relied on the *KROLL Cost of Capital Navigator* in determining the Equity Risk Premium, Size Premium, and Industry Risk Premium. For the Industry Risk premium, mba observed the measures for GICS code 203020, "Airlines." This is the GICS classification for airlines. Specific risk is a matter of professional judgment and deals with the risk of the particular asset or company. The cost of debt for a company with ratings similar to the Subject Entity at the time of this valuation is estimated at 9.0%. Using a current industry-observed capital structure of 65.0% debt to 35.0% equity, mba calculated the WACC to be 11.9%.

The Subject Entity expects an effective tax rate of 0.0% to offset tax expenses with losses incurred due to COVID-19. mba considered a 0.0% tax rate for the WACC calculation during the forecast period. During the forecast period, mba calculated the WACC to be 11.9%. In determining the terminal value, mba applied a 35.0% tax rate and, correspondingly, used a WACC of 9.8%. The terminal value was discounted back to present using the WACC of 11.9%.

VIII. CONCLUSION OF VALUE

The following summarizes mba's Conclusion of Value of the collateral associated with the Subject Routes.

CONCLUSION OF VALUE (US$)

AVIANCA'S ROUTE FRANCHISE NETWORK	$1,304,993,000

It is important to note that this Conclusion of Value is for the operational route authorities and encompasses any necessary take-off and landing slots and other licenses owned by the Subject Entity required to operate these route authorities at the time of the Valuation. Although mba does not assign a specific part of the overall value to take-off and landing slots and other licenses required to operate the route authorities, the valuation methodology is based on the assumption that all such slots and licenses, regardless of any legal, regulatory, contractual, or other restrictions or prohibitions on the Subject Entity's ability to transfer any such route authorities, slots, and licenses or to pledge them as collateral, are a part of any collateral package or sale of the route authorities being appraised herein. Furthermore, while mba's Conclusion of Value does not specifically forecast market values for aircraft or other physical assets operated by the Subject Entity on these Subject Routes, the cash flow calculations incorporate market aircraft and other asset ownership costs.

The Conclusion of Value was prepared solely for the purpose described in this Report and should not be used for any other purpose. This Conclusion of Value is subject to the Statement of Assumptions & Limiting Conditions found in Section X and the Representation of the Valuation Analysts found in Section XI.

IX. RISK FACTORS

The Conclusion of Value was developed assuming that key factors affecting the Subject Routes do not materially change from the Report Date. These factors include the regulatory, political, economic, and competitive environments. In the event any key factors affecting assumptions used to derive the Conclusion of Value materially diverge, the valuation results would be expected to change accordingly. Several of the major risks are outlined below.

Regulatory Risks

mba's Conclusion of Value is based on the regulatory environment remaining in its currently expected state. In the event regulatory changes are made or bilateral agreements are adjusted, including capacity modifications on the Subject Routes or Subject Regions, the Conclusion of Value expressed in this Valuation Report could change significantly as market share and market size change on the Subject Routes and in the Subject Regions.

Take-off and Landing Authority, Airport Capacity Risks

The right to take off and land at each of the airports involved in the Subject Region is essential to the value of the route. Some of the markets involved in South America are Open Skies markets but are also markets in which obtaining the desired airport access can be a difficult prospect, given the high level of demand.

Political Risks

Political risk can also be a factor when dealing with international route authorities. A change in government in countries to which a given route authority exists or a condition of political destabilization could potentially result in changes in aero-political relationships, including the reduction or addition of route authorities.

Economic Risks

mba's valuation is based on current economic conditions regarding global and regional economies. Demand for air transport services is highly cyclical and is strongly correlated with economic trends. The health of the Subject Region's economies could have an impact on mba's route valuation. Any changes in economic or other governmental policies, changes in regulatory, legal, or administrative practices, or weak economic performance could have an impact on mba's route valuation. A downturn in the global economy would have a negative impact on demand for passenger air transportation. Correspondingly, increased prosperity would have a positive effect on personal incomes, causing a rise in passenger traffic. As the air transport industry experiences these variances, the values of the routes in question would witness similar phenomena.

Competitive Risks

While competitive risk is closely related to regulatory risk, since regulators can dictate the number of competitors and frequency of operations, there are several added risk factors in the competitive sphere. The fiscal health of competitors on individual routes can impact route valuations, as a competitor who finds

itself in financial peril may be forced to sell off some of its routes in a distressed sale in order to raise capital. When divesting assets in a distressed state, the assets are generally sold for below market value, as the seller is under pressure to divest the asset and, therefore, is generally willing to accept an offer below market value. If a competitor sells a route below market value, then this transaction, when used as a benchmark, may lower the values of similar routes. In the same manner, route sales by competitors that fetch prices in excess of the current market value will likely increase the values of the remaining routes.

Competitive risk can be augmented by a competitor's acquisition of additional route authorities, be it either by issuance from a regulatory authority or purchase from another competitor. If a competitor who is already operating on a given route increases its frequencies by any means, it increases its presence on the route by virtue of its added capacity and, because of its breadth of services, becomes a more formidable competitor in acquiring available business from potential customers.

Traffic and Revenue Risks

mba's valuation is based on the assumption that the Subject Entity will be able to achieve the levels of passenger miles and yield growth rates projected by mba. If the Subject Entity is unable to attain these levels of growth, that could have a negative impact on mba's valuation. If the Subject Entity attains higher levels of growth than incorporated in mba's model, that could have a positive impact on the valuation.

Fuel Cost Risks

The cost of fuel is one of the largest and most volatile expenses incurred by an airline. Recent history has witnessed a fuel market characterized by generally decreasing prices due to various market factors. mba has performed the valuations herein assuming fuel costs in proportion to that experienced in today's environment consistent with U.S. Department of Energy expectations. Continuing increases in the cost of fuel will continue to raise the total operating expenses incurred on these routes and, without the addition of surcharges or other revenue recovery initiatives to offset the additional cost, will lessen the profitability the airline obtains on the given routes. This decrease in profitability would, in turn, have a subsequent negative impact on the Conclusion of Value. In the same manner, a decline in fuel prices will decrease airlines' operating expenses, increasing profitability and also giving a positive boost to the Conclusion of Value.

Non-Fuel Cost Risks

While non-fuel costs are, in general, not nearly as volatile as fuel-related expenses, they nonetheless make up a significant portion of an airline's operating costs. Such costs include aircraft rent, landing fees, payments to regional carriers, aircraft maintenance, and pilot contracts.

Fleet Assumption Risks

mba assumed the Subject Entity's aircraft ownership costs to reflect current market lease rates. If the Subject Entity cannot achieve these rates and pays more than the assumed rate, it could negatively impact

its operations. If the Subject Entity's ownership costs are lower than the forecasted lease rates, it will benefit their cash flows.

Tax Rate Risks

mba applied the income tax rate of LATAM Airlines Group S.A in forecasting future cash flows for the Subject Routes. This incorporates the top corporate income tax rate for Chile, where the Subject Entity is headquartered. To the extent that the actual tax rate achieved is higher than the assumed tax rate, the future cash flows will be lower. Yet, if the achieved tax rate is lower than mba's assumed tax rate, it will benefit future cash flows.

Other Risks

There are several other risks to the valuation expressed herein, including but not limited to the threat of terrorist attacks, natural disasters, and pandemic illness, such as the outbreak of Coronavirus, the H1N1 virus (swine flu), SARS, or bird flu.

X. STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

1. The Conclusion of Value arrived at herein is valid only for the stated purpose as of the Valuation Date.

2. Financial statements and other related information provided by the Subject Entity or its representatives in the course of this engagement have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. mba has not audited, reviewed, or compiled the financial information provided to us and, accordingly, expresses no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources mba believes to be reliable. However, mba makes no representation as to the accuracy or completeness of such information and has performed no procedures to corroborate the information.

4. mba does not provide assurance on the achievability of the results forecasted by the Subject Entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

5. The Conclusion of Value arrived at herein is based on the assumption that the current level of management expertise and effectiveness will continue to be maintained and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. The Valuation Report and its Conclusion of Value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The Conclusion of Value represents the considered opinion of mba, based on information furnished to mba by the Subject Entity and other sources.

7. The Valuation Report and its Conclusion of Value will not be disseminated by the Subject Entity or by any of its agents to other firms considered to be competitors to mba in the airline route valuation field without the prior express written approval of mba.

8. Future services regarding the subject matter of this Valuation Report, including but not limited to testimony or attendance in court, shall not be required of mba unless previous arrangements have been made in writing.

9. mba has not determined independently whether the Subject Entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. mba's valuation takes no such liabilities into account, except as they have been reported to mba by the Subject Entity or by an environmental consultant working for the Subject Entity, and then only to the extent that the liability was reported to mba in

an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to mba, mba has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. No change of any item in this Valuation Report shall be made by anyone other than mba, and mba shall have no responsibility for any such unauthorized change.
11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the Subject Entity due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.
12. mba has corresponded with the current management of the Subject Entity concerning the past, present, and prospective operating results of the Subject Entity.
13. mba has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

XI. REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the date written below, to the best of mba's knowledge and belief, that:

- The analyses, opinions, and Conclusion of Value included in the Valuation Report are subject to the specified Assumptions and Limiting Conditions and are the personal analyses, opinions, and Conclusion of Value of the valuation analyst.
- The valuation analyst is unrelated to the Subject Entity and has no current or expected interest in the Subject Entity or its assets.
- The Valuation Report was prepared for the purpose stated therein. The Valuation Report is not intended to be and should not be used for any other purpose.
- The valuation analyst has no obligation to update the Valuation Report or the Conclusion of Value for information that comes to his or her attention after the date indicated above.
- The valuation analyst's compensation for the Valuation Engagement is in no way contingent on the outcome of the valuation.
- This report represents mba's opinion as to the value of the Subject Assets and is intended to be advisory only and is not given for or as an inducement for any specific financial transaction. Therefore, mba assumes no financial responsibility or legal liability for decisions or actions taken or not taken by the Subject Entity or any other party with regard to the Subject Assets. mba accepts no responsibility for damages, if any, claimed by a third party as a result of decisions or actions taken based on the information contained in this report. By accepting this report, all parties agree mba shall bear no such responsibility or legal liability. mba consents to the use of this appraisal report as required by the terms in the indenture.

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January 13, 2025

REVIEWED BY:

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XII. APPENDIX A

CORE MARKET	ROUTES[15]
COLOMBIA DOMESTIC	ADZBOG, ADZCLO, ADZMDE, AUCBOG, AXMBOG, AXMMDE, BAQBOG, BAQCLO, BAQMDE, BGABOG, BGACTG, BGAMDE, BOGCLO, BOGCTG, BOGCUC, BOGEJA, BOGEYP, BOGIBE, BOGIPI, BOGLET, BOGMDE, BOGMTR, BOGNVA, BOGPEI, BOGPPN, BOGPSO, BOGRCH, BOGSMR, BOGUIB, BOGVUP, BOGVVC, CLOCTG, CLOMDE, CLOPSO, CLOSMR, CTGMDE, CTGPEI, CUCMDE, MDEMTR, MDEPEI, MDEPSO, MDERCH, MDESMR, PEISMR
COLOMBIA INTERNATIONAL	AEPBOG, ASUBOG, ATLBOG, AUABOG, AUAMDE, BAQMIA, BCNBOG, BLABOG, BOGBOS, BOGBRM, BOGCCS, BOGCDG, BOGCOR, BOGCUN, BOGCUR, BOGCUZ, BOGCWB, BOGDFW, BOGEZE, BOGFLL, BOGGDL, BOGGEO, BOGGIG, BOGGRU, BOGGUA, BOGGYE, BOGHAV, BOGIAD, BOGIAH, BOGLIM, BOGLPB, BOGMAD, BOGMAO, BOGMAR, BOGMBJ, BOGMCO, BOGMDZ, BOGMEX, BOGMGA, BOGMIA, BOGMTY, BOGMVD, BOGORD, BOGPOS, BOGPTY, BOGPUJ, BOGSAL, BOGSCL, BOGSDQ, BOGSJO, BOGSJU, BOGTPA, BOGTQO, BOGUIO, BOGVLN, BOGVVI, BOGXPL, BOGYUL, BOGYYZ, CLOMAD, CLOMIA, CTGGYE, CTGMIA, CTGSCL, CTGSJO, CUNMDE, EZEMDE, GRUMDE, GYEMDE, LIMMDE, MADMDE, MCOMDE, MDEMEX, MDEMIA, MDEPTY, MDEPUJ, MDESAL, MDESCL, MDESJO, MDESJU, MDEUIO
ECUADOR	CCSUIO, CUEUIO. EZEGYE. EZEUIO, GPSGYE, GPSUIO, GYESAL, GYESCY, GYESJO, GYEUIO, MECUIO, PUJUIO, SALUIO, SJOUIO
CENTRAL AMERICA	BOSSAL, CUNGUA, CUNSAL, CUZLPB, DFWSAL, FRSGUA, GUAIAD, GUALAX, GUAMIA, GUAORD, GUASAL, GUASJO, IADSAL, IADSJO, IAHSAL, LASSAL, LAXSAL, LIMSAL, MCOSAL, MEXSAL, MEXSJO, MGAMIA, MGASAL, MGASJO, MIASAL, MIASJO, ONTSAL, ORDSAL, PTYSAL, PTYSJO, SALSAP, SALSFO, SALSJO, SALXPL, SALYUL, SALYYZ, SAPSJO, SJOSJU

[15] Capacity can be flexibly deployed among these countries to align with regional demand and Subject Entity strategy.

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