Disclosure Regarding Restated Financial Statements

As described in Note 4(t) of the attached restated consolidated financial statements for the years ended December 31, 2023, and December 31, 2024, the Group has aligned its accounting policies across its subsidiaries (Avianca, GOL, and Wamos) to enable financial consolidation in accordance with International Financial Reporting Standards (IFRS).

Summary of Key Changes and Corrections

1. Accounting Policy Changes – Return Condition Provisions

- The Group revised its accounting policy under IAS 37 for return condition provisions related to leased aircraft.
- Under the previous policy, provisions included both major engine maintenance costs (Last Shop Visit, LSV) and End-of-Lease Adjustments (EOLA).
- Under the revised policy, only EOLA is recognized at lease commencement and capitalized in the right-of-use asset. LSV costs are now capitalized when maintenance occurs, in line with IAS 16.
- This change, applied retrospectively under IAS 8, enhances the relevance and comparability of financial information.
- The restatement resulted in a decrease in provisions and a corresponding increase in retained earnings for the periods presented.

2. Error Corrections and Reclassifications

During 2025, the Group identified and corrected prior-period errors on a retrospective basis, including:

- Adjustments to provisions for mileage redemption and air traffic liability.
- Correct application of the agent model for mileage transactions, reducing overstated revenue and expenses.
- Reclassification of revenue between “Passenger” and “Cargo and Other” to reflect its nature accurately.
- Proper elimination of intercompany transactions related to Lifemiles.
- Adjustments to depreciation of right-of-use assets and other minor corrections.

These corrections did not have a material impact on operating, investing, or financing cash flows.

ABRA GROUP LIMITED

Consolidated Financial Statements

As of and for the year ended December 31, 2024 and 2023

ABRA GROUP LIMITED.

Index to the consolidated financial statements

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INDEPENDENT AUDITORS' REPORT

To the Shareholders
ABRA Group Limited:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of ABRA Group Limited ("the Company"), which comprise the consolidated statement of financial position as at December 31, 2024, the consolidated statements of profit or loss and other comprehensive income, 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 Company as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 Company 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 - Restated financial statements

We draw attention to Note 3 (t) to the consolidated financial statements, which describes that the Company elected to change its accounting policy of return for condition provision for all periods presented. The note further explains that the financial statements have also been amended and are being restated to reflect the correction of errors, as described therein. On April 29, 2025 we issued an unmodified opinion on the Company's consolidated financial statements as at and for the year ended December 31, 2024, which are now being reissued. Accordingly, our current report replaces the previously issued report. Our opinion is not modified in respect of this matter.

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 Accounting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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
November 25, 2025

ABRA GROUP LIMITED
Consolidated Statements of Financial Position as of December 31, 2024 and 2023
(In thousands of United States dollar - US)

	Note	As of December 31, 2024 Restated*	As of December 31, 2023 Restated*
Assets			
Current assets:			
Cash and cash equivalents	9	$ 961,605	$ 883,053
Investments	9	178,481	257,553
Trade and other receivables	10	239,953	251,002
Accounts receivable from related parties	11	—	49
Current income tax	29	160,333	133,676
Other current taxes	29	94,462	70,063
Expendable spare parts and supplies	12	106,770	93,506
Prepayments		14,980	17,793
Deposits and other assets	14	40,703	43,967
		1,797,287	**1,750,662**
Assets held for sale	15	3,556	10,743
Total current assets		**1,800,843**	**1,761,405**
Non–current assets:			
Deposits and other assets	14	131,633	124,338
Investment in equity instruments and other investment	19	1,663,508	1,412,386
Intangible assets	18	1,333,015	1,327,475
Goodwill	18	1,602,059	1,522,075
Deferred tax assets	29	56,557	36,745
Right of use assets	17	3,024,959	2,701,833
Property and equipment	16	1,207,439	899,585
Total non–current assets		**9,019,170**	**8,024,437**
Total assets		**$ 10,820,013**	**$ 9,785,842**

The accompanying notes are an integral part of these consolidated financial statements

*The information is restated due to retrospectively application of a change in accounting policy and correction of error.

ABRA GROUP LIMITED
Consolidated Statements of Financial Position as of December 31, 2024 and 2023
(In thousands of United States dollar - US)

	Note	As of December 31, 2024 Restated*	As of December 31, 2023 Restated*
Liabilities and equity			
Current liabilities:			
Borrowings and debts	20	$ 295,361	$ 206,818
Lease liability	17	361,715	269,360
Accounts payable	23	760,155	563,140
Accounts payable to related parties	11	184	92
Accrued expenses		93,934	109,993
Current income tax liabilities	29	28,101	25,523
Other current taxes	29	11,531	11,519
Provisions for legal claims	30	33,821	37,502
Provisions for return conditions	17	14,993	2,840
Employee benefits	24	119,311	135,749
Air traffic liability and deferred revenue	25	576,061	656,290
Deferred Revenue	25	20,322	—
Frequent flyer deferred revenue	25	186,822	164,540
Other liabilities	22	67	87
Total current liabilities		**2,502,378**	**2,183,453**
Non–current liabilities:			
Debts	20	3,764,204	3,306,645
Derivative financial instruments	21	153,431	166,674
Lease liability	17	2,440,147	2,214,592
Accounts payable	23	3,745	—
Provisions for return conditions	17	617,448	499,639
Employee benefits	24	69,998	71,191
Deferred tax liabilities	29	146,339	136,045
Frequent flyer deferred revenue	25	246,081	271,964
Other liabilities	22	19,233	28,128
Total non–current liabilities		**7,460,626**	**6,694,878**
Total liabilities		**9,963,004**	**8,878,331**
Equity			
Common stock	26	3	3
Additional paid-in capital & Share premium		2,230,339	2,193,127
Accumulated losses		(1,174,912)	(1,013,351)
Other comprehensive income		(214,249)	(288,503)
Equity attributable to owners of the Group		**841,181**	**891,276**
Non–controlling interest (NCI)		15,828	16,235
Total equity		**857,009**	**907,511**
Total liabilities and equity		**$ 10,820,013**	**$ 9,785,842**

The accompanying notes are an integral part of these consolidated financial statements.
*The information is restated due to retrospectively application of a change in accounting policy and correction of error.

ABRA GROUP LIMITED

Consolidated Statement of Profit or Loss and Other Comprehensive Income (loss) for the years ended December 31, 2024 and 2023

(In thousands of United States dollar - US)

	Note	2024 Restated*	2023 Restated*
Net revenue:			
Passenger		$ 4,342,064	$ 3,905,952
Cargo and other		831,593	777,796
Total net revenue	35	**5,173,657**	**4,683,748**
Operating expenses:			
Aircraft fuel		$ 1,410,285	$ 1,416,445
Salaries, wages, and benefits		749,081	666,069
Ground operations		531,850	469,176
Air traffic		257,527	204,640
Flight operations		93,669	89,759
Passenger services		107,202	87,092
Maintenance and repairs		214,293	167,532
Selling expenses		262,055	271,241
Fees and other expenses		345,601	240,545
Rentals	17	70,610	131,468
Depreciation of right of use asset	17	409,055	316,505
Other depreciation and amortization	17	144,589	112,912
Impairment of other investments and assets held for sale		—	1,109
Total operating expenses		**4,595,817**	**4,174,493**
Operating income		**577,840**	**509,255**
Interest expense		(983,374)	(592,336)
Interest income		388,013	231,882
Net interest expense	33	**(595,361)**	**(360,454)**
Net change in fair value of financial instruments	34	(22,602)	(811,738)
Foreign exchange, net		(5,883)	(18,317)
Equity method income		802	986
Loss before income tax expense		**(45,204)**	**(680,268)**
Income tax expense – current		(31,518)	(37,863)
Income tax benefit– deferred		1,589	30,919
Total Income tax expenses	29	**(29,929)**	**(6,944)**
Loss for the year		**$ (75,133)**	**$ (687,212)**

The accompanying notes are an integral part of these consolidated financial statements

*The information is restated due to retrospectively application of a change in accounting policy and correction of error.

ABRA GROUP LIMITED

Consolidated Statement of Comprehensive Income (Loss) for the years ended December 31, 2024 and 2023
(In thousands of United States dollar - US)

	Note	2024 Restated*	2023 Restated*
Loss for the year		**$ (75,133)**	**$ (687,212)**
Other comprehensive loss:			
Items that will not be reclassified to income or loss in future periods:			
Remeasurements of defined benefit liability	24	(2,469)	(80,250)
Revaluation of administrative property		(3,261)	14,693
Equity investments at FVOCI - net change in fair value	19	—	(19,000)
Income tax	29	(789)	(336)
		(6,519)	**(84,893)**
Items that will be reclassified to income (loss) in future periods:			
Net change in fair value of financial assets with changes in OCI		402	800
Foreign operations — foreign currency translation differences		(6,463)	4,590
		(6,061)	**5,390**
Other comprehensive loss, net of income tax		(12,580)	(79,503)
Total comprehensive loss, net of income tax		**(87,713)**	**(766,715)**
Income (loss) attributable to:			
Equity holders of the parent		(74,614)	(690,898)
Non–controlling interest		(519)	3,686
Net loss		**(75,133)**	**(687,212)**
Total comprehensive income (loss) attributable to:			
Equity holders of the parent		(87,306)	(769,061)
Non–controlling interest		(407)	2,346
Total comprehensive income (loss)		**$ (87,713)**	**$ (766,715)**
Basic earnings (loss) per share	36		
Ordinary shares		(0.03)	(0.31)
Diluted earnings (loss) per share	36		
Ordinary shares		(0.03)	(0.31)

The accompanying notes are an integral part of these consolidated financial statements.
*The information is restated due to retrospectively application of a change in accounting policy and correction of error.

ABRA GROUP LIMITED
Consolidated Statement of Changes in Equity for the years ended December 31, 2024 and 2023
(In thousands of United States dollar - US)

Restated*	Note	Common stock	Additional paid-in capital & Share premium	Accumulated losses	Other comprehensive Income	Equity attributable to owners of the Group	Non-controlling interest	Total equity
					OCI Reserves			
Balance at January 1, 2023		**$ 5**	**$ 1,365,154**	**$ (322,457)**	**$ (210,337)**	**$ 832,365**	**$ 16,139**	**$ 848,504**
Profit (loss) for the year		—	—	(690,898)	—	(690,898)	3,686	(687,212)
Reverse acquisitions:								
Issuance of shares	2	—	$ 775,935	—	—	$ 775,935	—	$ 775,935
Retained earnings adjustment	2	—	(38,020)	—	—	(38,020)	—	(38,020)
Total Reverse acquisition		**(2)**	**737,915**	**—**	**—**	**737,913**	**—**	**737,913**
Share-based payments		—	90,057		—	90,057	—	90,057
Sale of subsidiary		—	—	—	—	—	(2,250)	(2,250)
Other comprehensive loss	26	—	—	—	(78,163)	(78,163)	(1,340)	(79,503)
Balance at December 31,2023		**$ 3**	**$ 2,193,126**	**$ (1,013,355)**	**$ (288,500)**	**$ 891,274**	**$ 16,235**	**$ 907,509**
Profit (loss) for the year		—	—	(74,614)	—	(74,614)	(519)	(75,133)
Share-based payments	31	—	7,344	—	—	7,344	—	7,344
Management incentive plan	31	—	29,869	—	—	29,869	—	29,869
Reclassification of OCI	24	—	—	(86,943)	86,943	—	—	—
Other comprehensive loss		—	—	—	(12,692)	(12,692)	112	(12,580)
Balance at December 31, 2024		**$ 3**	**$ 2,230,339**	**$ (1,174,912)**	**$ (214,249)**	**$ 841,181**	**$ 15,828**	**$ 857,009**

The accompanying notes are an integral part of these consolidated financial statements

*The information is restated due to retrospectively application of a change in accounting policy and correction of error.

ABRA GROUP LIMITED
Consolidated Statement of Cash Flows for the years ended December 31, 2024 and 2023
(In thousands of United States dollar - US)

Cash flows from operating activities:	**Note**	**2024**	**2023**
Loss for the year		**$ (75,133)**	**$ (687,212)**
Adjustments for:			
Net provision for expected credit losses	10	4,882	26,428
Provision for expendable spare parts and supplies obsolescence		2,157	3,955
Provision (recovery) of legal claims, net	30	778	5,674
Deferred income	25	(114,017)	—
Depreciation of right of use asset	17	409,055	316,505
Other depreciation and amortization	16-18	144,589	112,904
Impairment of other investments and assets held for sale		—	1,109
Loss on disposal of assets		8,180	1,154
Interest income	33	(388,013)	(215,551)
Interest expense	33	983,373	560,668
Net change in fair value of financial instruments		22,601	811,738
Deferred tax	29	(1,589)	(30,919)
Current tax	29	31,518	37,863
Derivative instruments	27	24,526	4,079
Share-based payment	31	37,310	90,057
Unrealized foreign currency (gain) loss		20,052	(8,017)
Changes in assets and liabilities:			
Trade and other receivables		27,706	(25,738)
Expendable spare parts and supplies		(7,183)	(15,823)
Prepayments		6,629	(2,465)
Net current tax		(29,569)	47,209
Deposits and other assets		(3,462)	(45,561)
Accounts payable and accrued expenses		74,567	106,731
Air traffic liability		38,218	75,868
Formations costs		—	(15,362)
Frequent flyer deferred revenue		(5,604)	(18,507)
Provision for return conditions		(5,485)	(4,664)
Provisions for legal claims		(512)	(8,692)
Employee benefits		(17,866)	(3,508)
Fuel hedging paid, net	21	(24,526)	(4,079)
Income tax paid		(85,417)	(52,923)
Net cash provided by operating activities		**$ 1,077,765**	**$ 1,062,921**

ABRA GROUP LIMITED
Consolidated Statement of Cash Flows for the years ended December 31, 2024 and 2023
(In thousands of United States dollar - US)

	Note	2024	2023
Cash flows from investing activities:			
Acquisition of property and equipment		(433,653)	(313,127)
Reimbursement of equipment acquisition		53,777	54,457
Interest received of investment in bank deposit certificates		119,768	73,825
Payments for purchase of GOL SSN 2028		—	(375,894)
Acquisition of short-term investments		(316,855)	(374,497)
Maturity of short-term investments		396,097	162,976
Acquisition of intangible assets		(20,648)	(21,961)
Proceeds from sale of property and equipment		2,600	42,243
Consideration received from disposal of subsidiary		—	4,506
Acquisition of subsidiary, net of cash acquired	6	(99,673)	—
Cash and cash equivalents disposed in the sale of a subsidiary		—	(4,011)
Net cash from (used by) investing activities		**$ (298,587)**	**$ (751,483)**
Cash flows from financing activities:			
Proceeds from loans and borrowings	20	1,554,686	561,529
Transaction costs related to loans and borrowings	20	(80,934)	—
Interest paid	20	(261,118)	(266,180)
Payment of loans and borrowings	20	(1,368,788)	(136,823)
Lease interest paid	17	(282,400)	(190,825)
Payment of leases	17	(261,941)	(199,356)
Net cash used by financing activities		**$ (700,495)**	**$ (231,655)**
Net increase (decrease) in cash and cash equivalents		78,683	79,783
Exchange rate effect on cash and cash equivalents		(131)	763
Cash and cash equivalents at the beginning of the year		883,053	802,507
Cash and cash equivalents at the end of the year		**$ 961,605**	**$ 883,053**

The accompanying notes are an integral part of these consolidated financial statements

(1) Reporting entity

Abra

Abra Group Limited ("Abra" or "the Company") is a company incorporated under the laws of England and Wales on February 18, 2022, with its registered office at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT. Together with its subsidiaries, the Company is referred to as "the Group" in these consolidated financial statements.

The Company was established to bring together the businesses of GOL Linhas Aéreas Inteligentes S.A. ("GOL") and Investment Vehicle 1 Limited ("IV1L"), the parent company of Avianca, thereby creating a regional airline group operating across Latin America, North America, Europe, and the Caribbean.

Unless the context otherwise requires, references to "Abra," "we," "us," and "our" in these notes to the consolidated financial statements refer to Abra Group Limited and its consolidated subsidiaries.

AGIL and its subsidiaries provide domestic and international passenger and cargo services across Colombia, Ecuador, and Central America, as well as long-haul services to North America, South America, Europe, and the Caribbean. The business also includes a loyalty program and courier services.

Avianca S.A., AGIL's main operating airline, is the leading carrier in Colombia, Ecuador, and Central America, and ranks among the largest in Latin America. Since 2012, Avianca has been a member of Star Alliance, offering customers access to the global network and services of its alliance partners.

Wamos Air

On May 9, 2024, the Group announced a strategic investment in Wamos Air, a Spanish airline specializing in charter flights and ACMI (aircraft, crew, maintenance, and insurance) services.

Wamos Air continues to operate independently under its existing Management team and business model, while remaining in compliance with European Union ownership and control regulations.

GOL Linhas Aéreas Inteligentes S.A. (GOL)

GOL is a Brazilian publicly held corporation that controls GOL Linhas Aéreas S.A. (GLA), the operating airline. GLA provides scheduled and non-scheduled passenger and cargo services, as well as aircraft and component maintenance. GOL also operates the Smiles loyalty program, integrated with its passenger business. The company is headquartered in São Paulo, Brazil, and its shares are listed on B3 (ticker: GOLL54) under Level 2 corporate governance standards. Until January 26, 2024, its preferred shares and ADSs were also listed on the NYSE.

Restructuring process

On January 25, 2024, GOL filed for Chapter 11 in the Bankruptcy Court, securing $950 million in debtor-in-possession (DIP) financing, which was later increased to $1 billion, to support ongoing operations. Passenger flights, cargo services, and the Smiles loyalty program continued without interruption.

Throughout 2024, GOL renegotiated lease agreements with lessors covering aircraft and spare engines, with approvals granted by the Bankruptcy Court. In November 2024, GOL entered into a Plan Support Agreement with Abra, its affiliates, and major creditor groups, which led to the filing of a restructuring plan in December 2024.

Significant subsidiaries

The following are the Group's significant subsidiaries included within these consolidated financial statements:

Subsidiary name	Country of incorporation	Ownership interest as of December 31,	
		2024	2023
Abra Global Finance	Cayman Islands	100%	100%
Investment Vehicle 1 Limited	Cayman Islands	100%	100%
Avianca Group international Limited (AGIL)	UK	100%	100%
Avianca Midco 2 PLC	UK	100%	100%
Andes Limited Inc.	Panama	100%	100%
Avianca Ecuador S.A.	Ecuador	99.62%	99.62%
Aerovías del Continente Americano S.A. (Avianca S.A.)	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%
Wamos Air, S.A.U	Spain	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, 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 December 31, 2024 and 2023, Abra's total fleet is comprised of:

	As of December 31, 2024			As of December 31, 2023		
Aircraft	**Owned**	**Lease (1)**	**Total**	**Owned**	**Lease (1)**	**Total**
Airbus A-319	1	7	**8**	1	9	**10**
Airbus A-320	—	79	**79**	—	79	**79**
Airbus A-320 NEO	—	47	**47**	—	41	**41**
Airbus A-330	1	13	**14**	1	5	**6**
Airbus A-330F	—	7	**7**	—	6	**6**
Airbus A-300F	2	—	**2**	3	—	**3**
ATR 72-600	—	2	**2**	—	—	**—**
Boeing 787-8	—	16	**16**	—	16	**16**
Boeing 767F	2	—	**2**	2	—	**2**
	6	**171**	**177**	**7**	**156**	**163**

(1) There are one (1) A330 and two (2) ATR-72 leased aircraft of the 171 leased aircraft that consist of short-term and variable rent, and as a result, are not reflected in the consolidated statements of financial position. (December 31, 2023: five (5) leased A-330 aircraft of the 156-leased aircraft).

In October 2024, the Group completed a strategic investment in Wamos Air, S.A., adding its entire fleet to the Group's fleet, being thirteen (13) Airbus A-330 under lease agreements. Also, during 2024, the Group added one (1) A330F, (2) two ATR 72-600, six (6) A320 NEO aircraft and one (1) A330 under leasing agreements. Likewise, the Group, finalized lease agreements for two (2) A319 and six (6) A330 and sold one (1) A300F during the same year.

(2) Business Combination

Transfer of IV1L shares to Abra and reverse acquisition.

On April 3, 2023, Abra consummated the contribution and exchange of shares with IV1L. In this transaction, IV1L shareholders transferred 100% of their shares to Abra, receiving in exchange 1,582,455,605 newly issued ordinary shares of Abra. The former shareholders of IV1L hold the majority of shares in Abra post contribution, and as such IV1L is considered the acquirer of Abra in the business combination transaction.

Although Abra is the legal acquirer of IV1L, for accounting purposes IV1L was identified as the accounting acquirer, resulting in the transaction being classified as a reverse acquisition in accordance with IFRS 3 – Business Combinations. Under IFRS, the legal capital of the accounting acquirer must be restated throughout these consolidated financial statements to reflect the legal capital of accounting acquired.

The classification of the transaction as a reverse acquisition is based on the following main factors:

- IV1L shareholders obtained the majority of voting rights and control over Abra after the transaction;
- The relative size of the entities, voting rights, and composition of management indicate that IV1L controls the combined group for accounting purposes.

As a result, Abra's consolidated financial statements reflect the continuation of IV1L's historical balances and results, adjusted to reflect Abra's legal capital structure. The assets and liabilities of IV1L (the accounting acquirer) remain recorded at their pre-combination carrying amounts, while the assets and liabilities of Abra (the accounting acquired) are recognized at fair value as of the reverse acquisition date.

No remeasurement of Abra's assets and liabilities was performed, as their carrying amounts are considered to be approximated to the fair value, given that Abra was a newly formed entity and its main assets consisted of cash, related-party receivables, debt, and equity interests immediately prior to the transaction.

Under IFRS 3, prior-year comparative financial statements are required to reflect the assets, liabilities and equity of both the accounting acquirer and legal acquirer entities. Comparative information presented in the consolidated financial statements also is retroactively adjusted to reflect the legal capital of the legal parent (accounting acquired). Because the reverse acquisition between Abra and IV1L did not occur until April 2, 2023, the financial information presented reflects the historical consolidated financial statements of IV1L, which exclude $(38,020) related to Abra's results generated before the business combination.

Reverse acquisition.

In accordance with IFRS 3, in a reverse acquisition, the fair value of the consideration transferred by the accounting acquirer is determined by the number of equity interests the legal subsidiary would have needed to issue in order to provide the owners of the legal parent with the same percentage equity interest in the combined entity resulting from the reverse acquisition.

This calculated fair value of the equity interests is then used as the fair value of the consideration transferred.

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

		As March 2023
Cash and cash equivalents	$	377,135
Other assets		1,817,613
Debt	$	(1,170,779)
Accounts Payable		(17,031)
Accrued Expenses		(955)
Other liabilites		(16,114)
Net assets acquired		**989,869**

(i) Computation of the consideration transferred

IV1L shareholders received 32.33 common shares for each IV1L ordinary share held immediately prior to the contribution as consideration in connection with the transaction, which represented 1,582,455,605 Abra shares. However, as required by IFRS 3, the consideration transferred is calculated as if IV1L, as the accounting acquirer, issued shares to the shareholders of the accounting acquiree, Abra. The value of the consideration transferred has been measured based on the fair market value of IV1L prior to the acquisition date. The number of IV1L shares that IV1L is deemed to issue to Abra shareholders under reverse acquisition accounting provides the former Abra shareholders with the same ownership in the combined group as obtained in the merger.

At the time of the reverse acquisition, Mobi, the former controlling shareholder of GOL, contributed its investment in GOL to Abra in exchange for newly issued Abra shares. The fair value of this contribution was $791,297 as described in Note 13, and was recognized as a financial instrument in accordance with IFRS 9 – Financial Instruments. After deducting $15,362 in formation costs, the net amount of $775,935 resulted in a capital increase in Abra through the issuance of new shares to Mobi, prior to the reverse acquisition. This investment was classified as a financial instrument rather than a subsidiary because Abra does not hold voting rights or exercise control over GOL; instead, its interest is purely economic, without governance influence, which does not meet the requirements for consolidation under IFRS 10.

Based on the number of shares of Abra and IV1L that are issued and outstanding as of the transaction date, the respective percentages of ownership of IV1L and the former Abra shareholders are as follows:

IV1L shares and warrants prior to the transaction		48,953,424
Abra shares and warrants in exchange of IV1L shares		32.33
Total new shares issued by Abra		**1,582,455,605**
Fair value of IV1L shares	$	31.71

(ii) Fair value of consideration transferred

Abra shares and warrants prior to the transaction	867,879,556	35.41 %
New Abra shares issued for IV1L shareholders	1,582,455,605	64.59 %
Total	**2,450,335,161**	**100 %**
IV1L shares prior to the transaction	48,953,424	64.59 %
Deemed number of IV1L shares for consideration transferred calculation	26,847,942	35.41 %
	75,801,366	**100 %**
Consideration value transferred		
New shares		26,847,942
Fair value of IV1L shares		**31.71**
Fair value transferred		**851,231**

Management considered any excess of consideration transferred over the fair value of Abra's assets acquired and liabilities assumed, that result of the application of this model to value the investment, is immaterial.

(3) Basis of presentation of the Consolidated Financial Statements

(a) Basis of presentation and statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as established by the International Accounting Standards Board.

The Group's consolidated financial statements for the year ended December 31, 2024 and 2023 were prepared, and
presented by management and authorized for issuance by the Board of Directors on November 24, 2025.

(b) Going Concern

These consolidated financial statements have been prepared on a going concern basis.

The Group consolidated statements of comprehensive income (loss) recognized a total net revenue of $5,173,657 for the year ended December 31, 2024; representing a 10.5% increase compared with 2023 (December 31, 2023 $4,683,748). This growth reflects implemented initiatives to drive revenue growth such as the reallocation of capacity from the domestic Colombian market to international routes with stronger demand dynamics, the reintroduction of business class service on 34 routes across the Americas, and the launch of Insignia, the new business class experience on transatlantic flights to and from Europe.

For the year ended December 31, 2024, the Group achieved operating income of $577,840 reflecting a 13.5% increase compared to the prior year (December 31, 2023: $509,255. Despite revenue growth and improved operating income, the Group still incurred a loss both in 2024 and 2023, however note that the 2023 loss was heavily impacted by a one-off impairment related to GoI in the amount of $791,297, as described in Note 13. Without this non-recurring item, the Group would have reported a net income in 2023.

The Group generated net cash flows from operating activities of $1,077,765 in 2024 ($1,062,921 in 2023), and maintained a cash balance, including cash and cash equivalents, restricted cash (see note 14) and short-term investments (see note 9) of $1,174,678 as of December 31, 2024 (December 31, 2023: $1,156,917) in addition to $200,000 of committed liquidity, through a fully undrawn revolving credit facility.

As of December 31, 2024, the Group reported a negative net working capital of US$ 702 million. However, the majority of current liabilities relate to deferred revenues (air traffic liabilities and Frequent flyer), comprised of tickets and miles sold but not yet used, which do not require immediate cash outflows but rather the future delivery of services. When excluding these deferred liabilities, the Group's adjusted net working capital is positive, amounting to US$ 81.6 million in 2024 (US$ 398.8 million in 2023). This structure is typical in the airline industry and reflects the business model, where cash is often received in advance of service delivery.

The Group's debt maturities due within the next 12 months amount to $295,361, which correspond to the outstanding principal of the short-term borrowings and current portion of long-term debt as of December 31, 2024. This amount reflects only principal and does not include future interest payments. The total contractual cash outflows, including interest, amount to $6,188,712, as presented in Note 20. These maturities already incorporate the refinancing of the Avianca Midco 2 PLC notes completed during 2025. As of the reporting date, the Group was in compliance with all financial covenants and had no breaches or waivers required.

In 2025, GOL exit from Chapter 11 proceedings and was acquired by the Group. This transaction did not result in additional net indebtedness, as GOL's Senior Secured Notes (SSN) and Exchangeable Senior Secured Notes (ESSN) were settled as part of the restructuring process.

Management has also performed scenario and sensitivity analyses to assess the Group's resilience under adverse conditions, including potential changes in demand, fuel prices, and foreign exchange rates. The detailed quantitative sensitivity analyses related to fuel price risk, foreign currency risk and interest rate risk are presented in Note 8. Based on these analyses, the Group would maintain adequate liquidity and remain in compliance with financial covenants under reasonable downside scenarios.

Based on these considerations, and after evaluating cash-flow projections, available credit facilities, and the expected operational and financial performance for the next fiscal year, management concluded that the Group has, and is expected to continue to have, adequate resources to meet its obligations and continue as a going concern for at least the next twelve months from the issuance date of these consolidated financial statements

Finally, management determined that the use of the going concern basis of accounting is appropriate, and this conclusion reflects the significant judgments and assumptions related to the expected recovery of air travel demand, stable macroeconomic conditions in the key markets, and continued access to financing.

(4) 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.

(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), equity instruments designated as at FVOCI, defined benefit plan assets, certain short-term investments and convertible loan agreement that have been calculated at fair value.

(b) Functional and presentation currency

The Financial Statements are presented in US Dollars and uses US Dollars and Euros as the functional currencies for these significant legal entities 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.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 3(b): Going Concern. 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 believes the Group is able to navigate these times of high volatility through successful execution of the business plan and the continued optimization of the cost structure, along with profitable standalone business units, allowing to generate positive margins and preserve the Group's strong liquidity position.

- Note 6: Acquisition of subsidiary. On October 15, 2024, the Group acquired 49.97% of the share capital and voting rights of WAV Air Holdings S.L. (and, indirectly, Wamos Air S.A.U.), hereinafter referred to as "Wamos," along with 99% of the economic rights. Wamos continues to operate independently, subject to a shareholders' agreement that includes the Group's right to designate another qualified third party to purchase shares of WAMEU Co S.L., in accordance with the ownership and control requirements under Regulation (EC) No. 1008/2008 of the European Parliament and the Council of September 24, 2008, on common rules for the operation of air services.

- Note 13: Investments in financial instruments. Management has concluded that Abra doesn't exercise control or significant influence over GOL as it has no voting rights over this entity and therefore the Group recognizes its investment in GOL as a financial instrument in accordance with the principles in IFRS 9 – Financial Instruments, which is recognized at fair value through profit or loss.

- Note 19: Investments in equity instruments. Through the transactions further described in note 19, the Group acquired an investment in Rexton Enterprises S.A. ("Rexton"). The Group assessed whether the investment is an equity instrument. In making their assessment, the Group considered that IV1L does not exercise any control or significant influence over Rexton. In accordance with IFRS 9, the Group designated this investment in equity instrument as at Fair Value through Other Comprehensive Income ("FVOCI"). At recognition, the investment was valued at the consideration transferred agreed between

the parties. Subsequently, the investment was measured at FVOCI based on the fair value of the equity value and the scenarios of successful integration under the Viva Transaction defined in note 19.

- Note 19 and note 28: Investments in secured convertible loan agreement. IV1L acquired 100% of Andes Limited ("Andes"), the lender under a loan agreement with Sky Airline S.A. ("Sky"), which contemplates the potential conversion of the debt into a minority stake in Sky. The Group assessed whether the loan agreement is a financial asset measured at fair value or at amortized cost. In making their assessment, the Group considered the loan agreement is not solely payments of principal and interest on the principal amount outstanding because the possibility of conversion of the debt into a minority stake in Sky. In accordance with IFRS 9 "Financial Instruments", the Group concluded the financial asset shall be measured at Fair Value through Profit or Loss ("FVTPL"). The secured convertible loan agreement with Sky was recorded at FVTPL, based on a market discount rate, cash flows to be received pursuant to the credit agreement, and conversion assumptions.

- Note 19 and note 20: The Group entered into a Support Agreement with GOL to invest in GOL through the issuance of Senior Secured Notes (SSNs), with Abra agreeing to issue Senior Secured Notes convertible into Exchangeable Senior Secured Notes (ESSNs). Subsequently, Abra issued the SSNs and GOL issued Senior Secured Notes to Abra. A portion of these SSNs was later converted into ESSNs. In accordance with IFRS 9, this transaction had no impact on the Company's profit or loss. Subsequently, GOL held both types of notes. The SSNs and ESSNs are measured at fair value through profit or loss. No impairment was recognized on the SSNs, taking into account their seniority, the existence of collateral arrangements, and court orders that ensure payment protection.

(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 4(f) and note 34: Loyalty revenue recognition. 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 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 use 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.

  The Company's estimate of the expected breakage of miles requires management judgment. Changes to breakage assumptions, or to program rules and program redemption opportunities, may result in material changes to the deferred revenue balance as well as recognized revenues from the program. The Company recognizes breakage proportionally as the remaining miles are redeemed.

- Note 4 (k) and 18: Assessment of impairment of indefinite-lived intangible assets. The Group evaluates the carrying value of goodwill and indefinite-lived intangible assets for impairment. For purposes of evaluating impairment losses, assets are grouped at the lowest level for which there are largely independent cash flows inflows by Avianca Group and Wamos. 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 of disposal or the value in use, whichever is greater.

- Note 4 (q ii) and note 17: Return conditions. 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, overhaul dates of major components and costs of scheduled checks and painting at redelivery.

- Note 6: The Group applied IFRS 3 for the business combination, applying the acquisition method and recognized goodwill on the acquisition date. The identifiable assets acquired, and the liabilities assumed were measured at fair value at the acquisition date, October 15, 2024. Also, the consideration transferred (including contingent consideration) was measured at fair value.

  Based on the application of IFRS3 for the business combination, the Group recognized acquired identifiable intangible assets, such as trademarks and contracts with clients. Also, the Group recognized assets and liabilities for deferred taxes that arose from the assets acquired and the liabilities assumed in the business combination, accounting for the tax effects of the temporary differences that exist on the date of acquisition.

- Note 30 and note 4 (q.i): Provisions for legal claims. 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 for the recognition and measurement of the provision.

- Note 13: Investment in financial instrument: The Group measures its investment in GOL at fair value through profit or loss (FVTPL") under IFRS 9. The valuation involves significant estimation uncertainty, primarily related to assumptions about GOL's equity value, recovery prospects under the Chapter 11 restructuring process, and market conditions. These estimates require judgment regarding the likelihood of different restructuring outcomes and their impact on shareholder recovery. Changes in these assumptions could materially affect the fair value measurement in future periods.

- Note 21: Accounting for SSN 2029 and Term Loan 2029 (Collectively, Equity Top-Up obligation). The Company recognizes the equity top-up obligation embedded in the Senior Secured Notes and Term Loan 2029 as an embedded derivative in accordance with IFRS 9. This classification is based on the variability in the number of shares to be delivered and the uncertainty in their reference price, which are contingent on future market conditions and Management decisions. The valuation of this embedded derivative requires the use of complex financial models incorporating key inputs such as enterprise value, share price projections, and potential equity issuances. Given the inherent uncertainties, Management reassesses these estimates periodically and adjusts the valuation accordingly to reflect

changes in market conditions and strategic decisions. For the year ended December 31, 2024, recognizing an adjustment in the other long-term liabilities of $ 16,550.

(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 ABRA. 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. Furthermore, the consolidated financial statements include IV1L on the same basis of consolidation as described above, ensuring consistency in presentation and comparability of financial information between the periods.

(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 or fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) 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.

(iii) Business combinations

The Group accounts for business combinations using the acquisition method in accordance with IFRS 3 "Business Combinations", when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. The consideration transferred in the acquisition is generally measured at acquisition date fair value including the amount of any non–controlling interests in the acquiree, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a discounted purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred and included within administrative expenses except if related to the issue of debt or equity securities.

When the Group acquires a business, it measures at fair value the assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred to the seller, including the amount recognized for non–controlling interest over the fair value of identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the net assets acquired, the difference is recognized as profit at the date of acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired is, from the acquisition date, allocated to each of the Group's cash–generating units that are expected to benefit from the acquisition, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

When a business combination is achieved in stages, the Entity's prior shareholding in the acquired company is remeasured at fair value at the acquisition date and the resulting gain or loss, if any, is recognized in the income statement. The amounts arising from interests in the company acquired before the acquisition date that have been previously recognized in other comprehensive income are reclassified to the income statement when this treatment is appropriate if this interest is eliminated.

If the initial accounting treatment of a business combination is incomplete at the end of the reporting period during which the combination occurs, the Entity reports provisional amounts for the items whose accounting is incomplete. Such provisional amounts are adjusted during the measurement period or additional assets, or liabilities are recognized to reflect new information obtained about the facts and circumstances that existed at the acquisition date and that, if known, would have affected the amounts recognized as of that date.

(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 IFRS 15- Revenue from Contracts with Customers 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 the 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 collected 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. Sale of miles direct to passengers are collected at the time of purchase. 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.

We apply a relative selling price whereby the total transaction price from each passenger ticket is allocated to loyalty miles earned. 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 revenue for redemptions within the Group is recognized when the transportation service is provided, revenue for redemptions with third parties 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.

(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 including pre-delivery payments (PDP) for future use by the Group are recorded at cost. 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 statements of comprehensive income (loss) 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:

Asset	Estimated useful life (years)
Flight equipment	The useful lives of the flight equipment depend on the use of the fleet and technical specifications. Minimum of 6 and maximum of 30
Capitalized maintenance	The useful lives of the major overhaul repairs depend on next maintenance and delivery date, whichever is lower. Minimum of 4 to maximum of 6
Rotable spare parts	The useful lives of rotable spare parts aligns with the useful life of associated fleet.
Administrative property	Minimum of 20 to maximum of 50
Others	Minimum of 2 to maximum of 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 Bogotá, Colombia, San Salvador, El Salvador and San Jose, Costa Rica 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 its 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 and low-value asset 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 that have a lease term of 12 months or less, 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.

(v) Depreciation

Depreciation is calculated over the depreciable amount, which is the value of the right of use asset.

Depreciation is recognized in the consolidated statements of comprehensive income (loss) on a straight–line method. This method is based on the estimated useful lives of flight equipment and takes into account the economic life of the asset or the lease term, whichever is lower.

Asset	Estimated useful life (years)
Aircraft (*)	Minimum of 2 to maximum of 15
Spare Engines	Minimum of 3 to maximum of 25
Buildings and other property	Minimum of 1 to maximum of 19

(*) Include the related return conditions.

(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

Acquired intangible assets 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 of the date of acquisition. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statements of comprehensive income (loss) 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 to 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 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 statements of comprehensive income (loss) within depreciation and amortization.

Intangible assets with indefinite useful lives are not amortized and instead 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 Avianca Group and Wamos segments. 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 derecognition 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 statements of comprehensive income (loss) when the asset is derecognized.

The Group's intangible assets include the following:

(i) Software, webpages and Cloud Computing Agreements

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 statements of comprehensive income (loss).

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. 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 routes have indefinite useful lives and therefore are not amortized but are tested for impairment at least at the end of each reporting period.

(iii) Goodwill

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 the Group's cash-generating units ("CGU") based on the CGUs that are expected to benefit from the synergies of the business combination. The companies Avianca and Wamos segments each constitute a cash-generating unit ("CGU") as they have been identified as the smallest identifiable group of assets that generate largely independent cash flows and are monitored by Management

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 CGU may be impaired. Impairment losses are

recognized within the consolidated statements of comprehensive income (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.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset´s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized

(l) Financial instruments

(i) Financial assets

(1) Initial recognition and classification

Financial assets are classified in the initial recognition as follows:

- Measured at amortized cost;
- At fair value through changes in other comprehensive income (“FVOCI”); or
- At fair value through profit or loss (“FVTPL”).

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 FVOCI, it must give rise to cash flows that are solely payments of principal and interest ("SPPI") over the outstanding principal amount. This evaluation is known as the SPPI test and is performed at the instrument level.

(2) Subsequent measurement

For subsequent measurement purposes, financial assets are classified within three categories:

- at amortized cost;
- at fair value through other comprehensive income ("FVOCI"); or
- at fair value through profit and loss ("FVTPL").

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 from 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 FVOCI if the following conditions are met:

- The financial asset is held within a business model for which the objective is to be achieved 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 FVTPL 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 principal and interest payments are classified and measured at FVTPL, regardless of the business model.

Financial assets at FVTPL are recorded within the consolidated statements of financial position, at fair value with net changes, recognized within the consolidated statements of comprehensive income (loss).

This category includes derivatives and listed equity investments that the Group had not irrevocably chosen to be classified at FVOCI.

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

(1) Initial recognition and classification

Financial liabilities are classified, upon initial recognition, as financial liabilities at FVTPL, loans and debt, accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group has not designated any financial liability at FVTPL, except for derivative financial liabilities discussed in note (v) below.

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.

(2) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

The Group has not designated any financial liability at FVTPL, except for derivative financial liabilities discussed in note (v) below.

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 Consolidated Statements of Comprehensive Income (loss).

This category generally applies to loans and debt that accrue interest.

(3) Derecognition of financial instruments

Financial liabilities are 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 Consolidated Statements of Comprehensive Income (loss).

Offsetting 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) Equity instruments

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9 unless the dividends clearly represent a recovery of part of the cost of the investment.

Dividends are included in the 'Others' line item in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVOCI on initial recognition (see note 19).

(iv) 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 28 includes an analysis of the fair values of financial instruments and more details on how they are valued.

(v) 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. 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 statements of cash flows, cash and cash equivalents are comprised of cash and short–term deposits as defined above, net of outstanding bank overdrafts, if any.

(o) Impairments of non-financial assets

At each reporting date the Group reviews the carrying amount of its non- financial assets to determine whether is indication of impairment. If any such indication exists, then the asset´s recoverable amount is estimated. Goodwill is tested annually for impairment.

For purposes of this impairment test, the Group has identified Avianca and Wamos as the lowest levels of identifiable cash flows. When carrying amounts exceed recoverable amounts, an impairment loss is recognized for the excess within the consolidated statements of comprehensive income or loss.

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.

(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" in the consolidated statements of financial position. 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 recognizes provisions in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Material provisions in the consolidated statements of financial position are presented in accrued expenses, provisions for legal claims and provisions for return conditions captions.

(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. When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, any related lawsuit deposit will be offset within the provision as a payment.

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 recognizes a provision for return condition obligations that are determinable and relate to bringing the leased aircraft or its components to the contractually agreed condition at the end of the lease. These are capitalized as part of the right-of-use asset and depreciated over the lease term. Costs that depend on future maintenance events are not recognized on commencement date. These are recognized in profit or loss when the related maintenance obligation arises, except overhaul which are capitalized and depreciated over the lease term or next maintenance event, whichever happens first.

The measurement of return condition provisions requires management to make assumptions, including estimates of future maintenance and return costs, discount rates and aircraft utilization. The provision is reviewed at each reporting date and adjusted for changes in estimates in accordance with IAS 37.

(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.

The determination of the Group´s defined benefit obligation depends on certain assumptions, which include selection of the discount rate, mortality rates and future salary increases. All assumptions are reviewed at each reporting date.

(i) CAXDAC pension plan

Caja de Auxilios y de Prestaciones de ACDAC ("CAXDAC") is a pension entity for members of the Civil Aviators Association. The CAXDAC defined benefit plan is measured under IAS 19 "Employee Benefits". Market yields at the end of the reporting period determine the discount rate. Plan assets correspond to transfers paid by the Group plus plan yields.

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.

(ii) Other defined benefits

The other defined benefits plans are also measured under IAS 19. 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:

(1) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an expense within the consolidated statements of comprehensive income (loss) when they are due.

(2) 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.

(3) Share-based payments arrangements

Executives share-based compensation plans to be settled with the Group shares (or their cash equivalent if and when determined by the Group), according to which the Group receives services as consideration.

The cost of the instruments is measured based on the fair value at the date they were granted. To determine the fair value, the Group uses the Black-Scholes option pricing model for the non-qualified shares options and for restricted shares unit a combination between the income and market approach.

The grant-date fair value of equity-settled share-based payments arrangements granted to employees is generally recognized as an expense with a corresponding increase in equity, over the vesting period of the awards. The

amount recognized as an expense is adjusted to reflect the number of awards for which the related service are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service at the vesting date.

(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 statements of comprehensive income (loss) that are recognized within the consolidated statements of comprehensive income (loss). Interest income is recognized as accrued within the consolidated statements of comprehensive income (loss), 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 statements of comprehensive income (loss) that are recognized in the consolidated statements of comprehensive income (loss). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized within the consolidated statements of comprehensive income (loss) using the effective interest method.

Financial expenses related to loans are presented in the consolidated statements of cash flows as part of the financing activities.

(t) Accounting Policy Changes, Error Corrections and Reclassifications

(i) *Changes in accounting policies:*

Return Condition Provisions

The Group revised its accounting policy for return condition provisions under IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

At lease commencement, the Group recognized a provision for both (i) major engine maintenance costs expected to occur close to lease end (Last Shop Visit, LSV) and (ii) compensation payable to the lessor if the aircraft or engine did not meet the agreed performance thresholds at redelivery (End-of-Lease Adjustment, EOLA). Both amounts were capitalized as part of the right-of-use asset and recognized as a liability for return condition.

Under the revised policy, only the EOLA component is recognized as a provision at lease commencement and capitalized in the right-of-use asset. Major engine maintenance costs (LSV) are no longer included in the provision at lease inception; instead, they are capitalized only when the maintenance event actually occurs, in line with IAS 16.

The change is considered a change in accounting policy under IAS 8, as it alters the principles and rules applied in recognizing and measuring return condition obligations. This change provides more relevant and reliable information, better aligns with the Group’s lease terms and industry practice, and enhances comparability and transparency.

The information for the periods ended December 31, 2024 and 2023 has been restated to reflect the new policy, resulting in a decrease in provisions for return conditions and a corresponding increase in retained earnings, as detailed below.

(ii) Error Corrections

During 2025, the Group identified and corrected errors from prior periods on a retrospective basis, related to:

- Provision associated with miles redeemed with airline and commercial partners under the line item "Accrued Expenses", together with a corresponding impact on "Selling Expenses" and "Accumulated losses".

- Reduction in the provision under the line item "Air Traffic Liability", with a corresponding impact on revenue "Passenger" and "Accumulated losses".

- Incorrect presentation of mileage redemption transactions with airline and commercial partners under the principal model, which resulted in overstated revenue "Cargo and Other" and expense "Selling Expenses". The correction reflects the proper application of the agent model, reducing both revenue and expense by netting the cost of the transaction against revenue.
- Misclassification of certain amounts previously recorded under "Passenger" that should have been presented under "Cargo and Other" in the Consolidated Statements of Comprehensive Income. This correction ensures accurate presentation of redemption revenue from airline partners in line with its nature.
- Incorrect eliminations of intercompany transactions arising from the purchase of miles by the Group's airlines from Lifemiles were not being appropriately eliminated in consolidation to reduce ticket revenue, which resulted in overstated revenue "Passenger" and "Cargo and Other" and expense "Selling Expenses".
- Increase of depreciation of "Right of use assets" related to maintenance components, with a corresponding impact on reduction of "Right of use assets" and increase of "Depreciation" and "Accumulated losses".
- Other minor corrections.

There is no material impact on operating, investing and financing activities in the cash flow statements and Statements of Changes in Equity as of December 31, 2024 and December 31, 2023.

The tables below present the figures corresponding to each of the adjustments described above:

	2024				2023			
	For the Year ended December 31, 2024	Policy Changes (i)	Error Corrections (ii)	For the Year ended December, Restated	For the Year ended December 31, 2023	Policy Changes (i)	Error Corrections (ii)	For the Year ended December, Restated
Assets								
Current assets:	**$ 1,800,833**	**$ —**	**$ 11**	**$ 1,800,844**	**$ 1,766,771**	**$ —**	**$ (5,366)**	**$ 1,761,405**
Non-current assets:								
Goodwill	1,617,571	(8,568)	(6,944)	1,602,059	1,524,638	—	(2,563)	1,522,075
Right of use assets	3,253,314	(183,513)	(44,842)	3,024,959	2,933,247	(231,034)	(380)	2,701,833
Other non-current assets concepts	4,395,095	—	(2,943)	4,392,152	3,809,228	—	(8,699)	3,800,529
Total non-current assets	**9,265,980**	**(192,081)**	**(54,729)**	**9,019,170**	**8,267,113**	**(231,034)**	**(11,642)**	**8,024,437**
Total Assets	**$ 11,066,813**	**$ (192,081)**	**$ (54,718)**	**$ 10,820,014**	**$ 10,033,884**	**$ (231,034)**	**$ (17,008)**	**$ 9,785,842**
Liabilities Equity								
Current liabilities:								
Accrued expenses	$ 77,607	$ —	$ 16,327	$ 93,934	$ 93,770	$	16,223	$ 109,993
Provisions for return conditions	29,026	(14,505)	472	14,993	8,098	(5,258)	—	2,840
Air traffic liability and deferred revenue	597,759	—	(1,376)	596,383	680,425	—	(24,135)	656,290
Other current liabilities concepts	1,788,140		8,928	1,797,068	1,400,368	—	13,965	1,414,333
Total current liabilities	**2,492,532**	**(14,505)**	**24,351**	**2,502,378**	**2,182,661**	**(5,258)**	**6,053**	**2,183,456**
Non-current liabilities:								
Provisions for return conditions	952,158	(333,590)	(1,120)	617,448	807,294	(335,760)	28,105	499,639
Other non-current liabilities concepts	6,844,105	—	(926)	6,843,179	6,195,239	—	—	6,195,239
Total non-current liabilities	**7,796,263**	**(333,590)**	**(2,046)**	**7,460,627**	**7,002,533**	**(335,760)**	**28,105**	**6,694,878**
Total Liabilities	**$ 10,288,795**	**$ (348,095)**	**$ 22,305**	**$ 9,963,005**	**$ 9,185,194**	**$ (341,018)**	**$ 34,158**	**$ 8,878,334**
Equity								
Retained Earnings	$ (1,246,816)	$ 156,014	$ (84,110)	$ (1,174,912)	$ (1,074,669)	$ 109,984	$ (48,671)	$ (1,013,356)
Other equity concepts	2,024,834		7,087	2,031,921	1,923,359	—	(2,495)	1,920,864
Total Equity	**778,018**	**156,014**	**(77,023)**	**857,009**	**848,690**	**109,984**	**(51,166)**	**907,508**
Total Liabilities & Equity	**$ 11,066,813**	**$ (192,081)**	**$ (54,718)**	**$ 10,820,014**	**$ 10,033,884**	**$ (231,034)**	**$ (17,008)**	**$ 9,785,842**

	2024					2023				
	For the Year ended December 31	Policy Changes (i)	Error Corrections (ii)	Reclassifications (iii)	For the Year ended December 31, Adjusted	For the Year ended December 31	Policy Changes (i)	Error Corrections (ii)	Reclassifications (iii)	For the Year ended December 31, Adjusted
Operating revenue:										
Passenger	4,463,328	—	(48,211)	(73,054)	4,342,063	4,007,956	—	(30,854)	(71,466)	3,905,636
Cargo and other	818,905	—	(60,365)	73,054	831,594	763,170	—	(56,524)	71,466	778,112
Total operating revenue	**5,282,233**	**—**	**(108,576)**	**—**	**5,173,657**	**4,771,126**	**—**	**(87,378)**	**—**	**4,683,748**
Operating expenses:										
Selling expenses	358,044	—	(95,989)	—	262,055	354,409		(83,168)		271,241
Depreciation of right of use asset	411,732	(21,559)	18,882	—	409,055	327,691	(28,831)	17,645	—	316,505
Maintenance and repairs	218,504	(1,424)	(2,787)	—	214,293	167,532	—	—	—	167,532
Other Operating Expenses concept	3,703,599	—	6,815	—	3,710,414	3,419,280	—	(65)	—	3,419,215
Total operating expenses	**4,691,879**	**(22,983)**	**(73,079)**	**—**	**4,595,817**	**4,268,912**	**(28,831)**	**(65,587)**	**—**	**4,174,493**
Operating income	**590,354**	**22,983**	**(35,497)**	**—**	**577,840**	**502,214**	**28,831**	**(21,790)**	**—**	**509,255**
Net interest expense	(619,584)	23,047	1,176	—	(595,361)	(388,466)	29,670	(1,656)	—	(360,454)
Other Income - Expense	(27,683)	—	—	—	(27,683)	(829,069)	—	—	—	(829,069)
Loss before tax	**(56,913)**	**46,030**	**(34,321)**	**—**	**(45,204)**	**(715,321)**	**58,501**	**(23,446)**	**—**	**(680,267)**
Total expense tax	(28,811)	—	(1,118)	—	(29,929)	(1,925)	—	(5,019)	—	(6,944)
Loss for the year	**(85,724)**	**46,030**	**(35,439)**	**—**	**(75,133)**	**(717,246)**	**58,501**	**(28,465)**	**—**	**(687,212)**

(5) New and amended accounting standards

a. International Financial Reporting Standards recently adopted

The Group has adopted the following 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)

The amendments to IAS 1 "Presentation of Financial Statements" 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. Also requires new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

The Group has adopted Classification of Liabilities as Current or Non-Current (amendments to IAS 1) and Non-current Liabilities with Covenants from January 1, 2024, onwards. The amendments apply retrospectively, however there is not retrospective impact on the comparative consolidated statements of financial position because the Group has complied with their debt agreements and has had the right to defer the settlement for at least 12 months after the reporting period.

As disclosed in note 20, the Group has debt facilities classified as non- current that are subject to specific covenants as of December 31, 2024, the additional disclosure requirements were included in note 20.

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 consolidated 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 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" 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 consolidated 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 consolidated financial statements. 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 "The Effects of Changes in Foreign Exchange Rates"), 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 " Presentation and Disclosure in Financial Statements"), this amendment is effective as of January 1, 2027.

• Subsidiaries without public accountability - Disclosures (IFRS 19 "Subsidiaries without Public Accountability Disclosures"), this amendment is effective as of January 1, 2027.

• Sale or contribution of assets between an investor and its associate or joint venture- amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”, this amendment is available for optional adoption and its effective date is deferred indefinitely.

(6) Acquisition of subsidiary

On October 15, 2024, the Group acquired 49.97% of the of the share capital and voting rights of WAV Air Holdings S.L. (and therefore, indirectly, Wamos Air S.A.U.) and 99% of the economic rights. Although Abra acquired 49.97% of the share capital and voting rights of WAV Air Holdings S.L., it holds 99% of the economic rights and, through shareholder agreements and call options, exercises control over Wamos Air S.A.U. in accordance with IFRS 10. From an economic and governance perspective, Abra has the power to direct the relevant activities and to obtain substantially all the economic benefits from the operation under IFRS 10 and therefore fully consolidates the subsidiary in its financial statements. Wamos is a leading Spanish airline that provides charter services and Aircraft Crew Maintenance and Insurance (ACMI) services with a fleet of 13 A330 aircraft. This acquisition is anticipated to enhance the Group's connectivity between Latin America and Europe, capitalizing on the increased coverage and operation of its wide-body fleet.

The functional currency of Wamos is the euro (EUR). Accordingly, its financial information has been translated into the Group’s presentation currency in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates. The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Note	As of October 15, 2024
Cash		$ 20,926
Account receivables		21,168
Financial assets		13,014
Expendable spare parts and supplies, net		3,177
Right of use assets and Property and equipment	16-17	185,507
Identifiable intangible assets	18	54,146
Assets held for sale		1,090
Lease liabilities	17	(139,104)
Accounts payables		(74,349)
Return conditions	17	(20,808)
Deferred revenue		(15,894)
Deferred tax assets		6,702
Current tax liabilities		(5,809)
Contingencies		(3,983)
Total identifiable assets acquired, and liabilities assumed		**$ 45,783**
Goodwill		84,366
Total consideration		**$ 130,149**
Satisfied by:		
Cash		120,599
Contingent Consideration liability		9,550
Total consideration transferred		**$ 130,149**

The goodwill of $84,366 comprises the value of expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

As part of the agreement with the previous owner of Wamos, contingent consideration has been established. This consideration is contingent upon achieving the Target EBITDA in 2024 and 2025, with a maximum aggregate amount of $21 million. The fair value of the contingent consideration arrangement at the date of acquisition is $9,550. This value was estimated using Montecarlo Model to simulate possibles scenarios, and the average of these scenarios was discounted considering a free risk rate; The contingent consideration is recorded under accounts payable in the Statement of Financial Position.

The fair value of the financial assets acquired includes trade receivables valued at $21 million, which is equivalent to the gross contractual amount receivable. It is expected that the full contractual amounts will be collected.

A contingent liability of $5.9 million has been recognized in respect of tax contingencies and it is expected to be finalized in 2026. This amount is subject to change based on variations in assumptions and other estimates.

Acquisition-related costs, amount to $5.5 million, are included in the fees and other expenses line item on the Consolidated Statements of Comprehensive Income (loss).

From the date of acquisition, Wamos contributed $55.3 million to the Group's net revenue, and net loss of $4 million. If the acquisition had taken place at the beginning of the year, Management estimates that Group net revenues would have been $5,477 million and the Group net loss would have been $71.9 million. In determining these amounts, Management assumed that the fair value adjustments arising on the date of acquisition would have been the same if the acquisition had occurred on January 1, 2024.

(7) 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 which monitors the operating results of the Group's segments based on the organization of the entity, which is based generally on the differences in services provided under each segment. The consolidated reportable segments that align with the operational reporting used by the CODM:

Avianca Group: Operations primarily originate from tickets, ancillary and cargo operating revenues on scheduled flights, and the loyalty program.

Wamos: Concentrates on charter services, aircraft leasing (ACMI - Aircraft, Crew, Maintenance, and Insurance), and related airline support services.

Corporate + adjustments and eliminations: These activities primarily support the Group's operations and are not considered reportable operating segments, as they relate to activities that are not part of the Group's core airline business and resource allocation decisions are based on the core airline operating business. Corporate income and expenses, together with the elimination of intersegment transactions and the related consolidation adjustments, are included within this section, which reconciles the total of the reportable airline operating segments to the Group's consolidated financial statements.

The Group changed the presentation of its segment information to align with its internal organizational structure. The change consisted of moving from a sub-segment view to a single 'Avianca Group' segment.

Segment performance is evaluated based on statements of comprehensive income (loss) and is measured consistently with the Group's consolidated financial statements. The Group's operational information by reportable segment is as follows:

	Year ended December 31, 2024			
	Avianca	**Wamos (1)**	**Corporate + adjustments and eliminations**	**Consolidated**
Net revenue				
Tickets	3,252,633	—	—	3,252,633
Ancillaries	917,377	—	—	917,377
Cargo and courier	680,433	—	—	680,433
Loyalty	214,894	—	—	214,894
Other	52,543	55,375	402	108,320
Total net revenue	**5,117,880**	**55,375**	**402**	**5,173,657**
Operating expenses before depreciation, amortization and impairment	3,958,821	43,560	39,792	4,042,173
Depreciation, amortization and impairment	543,207	10,412	25	553,644
Operating Income	**$ 615,852**	**$ 1,403**	**$ (39,415)**	**$ 577,840**

(1) It includes revenue starting from October 15, 2024, the acquisition date of Wamos.

	Year ended December 31, 2023		
	Avianca	**Corporate + adjustments and eliminations**	**Consolidated**
Net revenue			
Tickets	2,877,453	—	2,877,453
Ancillaries	882,225	—	882,225
Cargo and courier	676,572	—	676,572
Loyalty	190,099	—	190,099
Other	57,399	—	57,399
Total net revenue	**4,683,748**	**—**	**4,683,748**
Operating expenses before depreciation, amortization and impairment	3,713,587	30,380	3,743,967
Depreciation, amortization and impairment	430,518	8	430,526
Operating Income	**$ 539,643**	**$ (30,388)**	**$ 509,255**

The Group's revenues by geographic area are as follows:

	For the year ended December	
	2024	**2023**
Colombia	$ 2,152,544	$ 2,046,884
North America (1)	1,077,158	973,957
Central America and the Caribbean	819,444	648,653
South America (excluding Colombia)	752,237	708,334
Europe	371,268	305,419
Other	1,006	501
Total operating revenue	**$ 5,173,657**	**$ 4,683,748**

(1) Include the United States for $823,292 and December 31, 2023: $798,736.

The Group allocates revenues by geographic area based primarily on the 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 country responsible for 10% or more of total operating revenue is presented separately.

(8) Financial risk management

The Group has exposure to different risks from its use of financial instruments, namely, liquidity risk, fuel price 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 unexpected 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.

Management believes that the above sources, including debt financing and cash flow generated from operating activities, are sufficient for the 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, 2024

			Years				
	Carrying amount	**Contractual cash flows**	**One**	**Two**	**Three**	**Four**	**Five and thereafter**
Short–term borrowings and current portion of long-term debt	$ 295,361	$ 555,591	$ 555,591	$ —	$ —	$ —	$ —
Long-term debt	3,764,204	5,633,121	—	606,596	317,172	2,727,501	1,981,852
Lease liability	2,801,862	4,105,815	600,673	593,329	575,305	512,913	1,823,595
Total, debt	**$ 6,861,427**	**$ 10,294,527**	**$ 1,156,264**	**$ 1,199,925**	**$ 892,477**	**$ 3,240,414**	**$ 3,805,447**
Accounts payable	763,900	763,900	760,155	3,745	—	—	—
Accrued expenses	93,934	93,934	93,934	—	—	—	—
Contractual maturities	**$ 7,719,261**	**$ 11,152,361**	**$ 2,010,353**	**$ 1,203,670**	**$ 892,477**	**$ 3,240,414**	**$ 3,805,447**

As of December 31, 2023

			Years				
	Carrying amount	**Contractual cash flows**	**One**	**Two**	**Three**	**Four**	**Five and thereafter**
Short–term borrowings and current portion of long-term debt	$ 206,818	$ 447,684	$ 447,684	$ —	$ —	$ —	$ —
Long-term debt	3,306,645	4,937,553	—	328,100	507,534	259,094	3,842,825
Lease liability	2,483,952	3,780,426	513,498	500,895	482,143	446,041	1,837,849
Total, debt	**$ 5,997,415**	**$ 9,165,663**	**$ 961,182**	**$ 828,995**	**$ 989,677**	**$ 705,135**	**$ 5,680,674**
Liabilities of assets held for sale	—	—	—	—	—	—	—
Accounts payable	563,142	563,142	563,142	—	—	—	—
Accrued expenses	109,993	109,993	109,993	—	—	—	—
Contractual maturities	**$ 6,670,550**	**$ 9,838,798**	**$ 1,634,317**	**$ 828,995**	**$ 989,677**	**$ 705,135**	**$ 5,680,674**

(b) Fuel price risk

The Group´s operations require a significant volume of jet fuel, being one of the most important costs throughout the year. Oil prices fell by about 17.4%, from the last peak in April 2024, when the price reached $87.7 per barrel, and the price of jet fuel was close to $2.2 dollars per gallon at the end of the year. The Group has implemented several strategies to relieve macroeconomic headwinds and unexpected catastrophic events, such as acquiring fuel derivative assets to cover significant fluctuations in price.

Also, capacity has been optimized to improve operational performance, enabling an increased focus on more profitable markets.

In addition, in 2024 Avianca purchased call options on West Texas Intermediate (WTI) and swaps on crack spreads, as an underlying assets to cover a portion of fuel consumption for the second half of the year, enabling the Group to protect against fuel price increases and volatility. (see note 27).

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 2024. The analysis is based on historical fuel consumption. This analysis assumes that all other variables remain constant and considers the effect of changes in jet fuel prices.

	Effect in profit or loss			
	December 31, 2024		**December 31, 2023**	
	Increase	**Decrease**	**Increase**	**Decrease**
5% movement	$ 57,518	$ (57,518)	$ (55,022)	$ 55,022
10% movement	115,035	(115,035)	(110,044)	110,044
15% movement	172,553	(172,553)	(165,066)	165,066

(c) Foreign currency risk

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 of the significant subsidiaries of the Group is the US dollar. The Group’s freight and passenger rates largely are denominated in US dollars. Although sales in certain domestic markets are made in local currencies, prices are indexed to the US dollar. Accordingly, most of the Group’s services are sold at prices equivalent to the US dollar. Similarly, a large portion of its expenses are also denominated in US dollars or indexed to that currency, particularly fuel costs, maintenance costs, lease payments, aircraft, insurance, and aircraft components and accessories. The remuneration expenses are denominated in local currencies.

The profit or loss in foreign currency is derived primarily from the depreciation of the Colombian Peso, Mexican Peso, Argentina Peso, Brazilian reals and Euro against the US Dollar. For the year ended December 31, 2024, the Group recognized a net loss of $5,884 and December 31, 2023: $18,316.

Mitigation

The Group mitigates currency risk exposures through natural hedges or execution of internal operations.

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, 2024							
	US	**Colombian Pesos**	**Euros**	**Mexican Pesos**	**Argentinean Pesos**	**Brazilian Reals**	**Others**	**Total**
Cash and cash equivalents	$ 861,351	$ 47,244	$ 40,079	$ 1,846	$ 978	$ 525	$ 9,582	$ 961,605
Short term investments	176,421	1,618	—	—	—	—	442	178,481
Trade and other receivables	109,658	58,169	21,352	7,484	1,938	18,329	23,024	239,954
Other investments- GOL Notes	1,663,508	—	—	—	—	—	—	1,663,508
Short-term borrowings and current portion of long-term debt and lease liabilities	(647,428)	(8,831)	—	(724)	—	—	(93)	(657,076)
Long-term debt and lease liabilities	(6,165,643)	(36,554)	—	(2,061)	—	—	(93)	(6,204,351)
Accrued expenses	(82,401)	(7,849)	(1,212)	(325)	(42)	(1,175)	(930)	(93,934)
Accounts payable	(449,803)	(228,634)	(23,411)	(23,322)	(3,356)	(4,279)	(31,094)	(763,899)
Net financial position exposure	**$ (4,534,337)**	**$ (174,837)**	**$ 36,808**	**$ (17,102)**	**$ (482)**	**$ 13,400**	**$ 838**	**$ (4,675,712)**

	December 31, 2023							
	US	**Colombian Pesos**	**Euros**	**Mexican Pesos**	**Argentinean Pesos**	**Brazilian Reals**	**Others**	**Total**
Cash and cash equivalents	$ 820,212	$ 39,544	$ 2,374	$ 3,088	$ 752	$ 2,173	$ 14,910	$ 883,053
Short term investments	255,110	1,669	—	—	—	—	774	257,553
Trade and other receivables	113,154	58,865	15,951	2,583	1,072	37,465	21,912	251,002
Other investments- GOL Notes	1,412,386	—	—	—	—	—	—	1,412,386
Short-term borrowings and current portion of long-term debt and lease liabilities	(474,537)	(874)	—	(767)	—	—	—	(476,178)
Long-term debt and lease liabilities	(5,458,124)	(59,808)	—	(3,305)	—	—	—	(5,521,237)
Accrued expenses	(97,386)	(7,617)	(851)	(440)	—	(2,679)	(1,020)	(109,993)
Accounts payable	(349,021)	(148,077)	(15,983)	(20,377)	(1,445)	(5,166)	(23,071)	(563,140)
Net financial position exposure	**$ (3,778,206)**	**$ (116,298)**	**$ 1,491**	**$ (19,218)**	**$ 379**	**$ 31,793**	**$ 13,505**	**$ (3,866,554)**

The following exchange rates are applied to the most significant currencies:

	Average Rate		Year-end sport rate	
USD	**2024**	**2023**	**2024**	**2023**
Colombian Pesos	4,074.43	4,325.96	4,409.15	3,822.05
Euros	0.92	0.92	0.96	0.91
Mexican Pesos	18.31	17.74	20.51	16.97
Argentinean Pesos	914.95	294.75	1,032.00	808.45
Brazilian Reals	5.39	4.99	6.19	4.85

Sensitivity analysis

A reasonably possible strengthening (weakening) of Colombian pesos, Euros, Mexican Pesos, Argentinean Pesos and Brazilian Real against US dollars on December 31, 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 the Group's consolidated statement of comprehensive income.

	Effect on profit or loss					
	Change forecast in exchange rate	**December 31, 2024**		**Change forecast in exchange rate**	**December 31, 2023**	
Colombian Pesos	(15)%	$ (26,226)	$ 26,226	21%	$ (24,423)	$ 24,423
Euros	(6)%	2,208	(2,208)	3%	45	(45)
Mexican Pesos	(21)%	(3,591)	3,591	13%	(2,498)	2,498
Argentinean Pesos	(28)%	(135)	135	(356)%	(1,349)	1,349
Brazilian Reals	(28)%	3,752	(3,752)	8%	2,543	(2,543)

(d) Interest rate risk

The Group is exposed to interest rate risk primarily through financial obligations with banks and aircraft lessors. Long-term lease payments at floating interest rates create cash flow risk. We believe our variable interest rate risk exposure is limited given that our floating interest rate debt balance as of December 31, 2024 (approximately 10.64% of our total outstanding balance of long-term debt (including current portion), short-term borrowings, and long-term lease liability (including current portion), amounting to $730 million) is significantly lower than our interest income-generating asset portfolio balance as of the same date (over 97% of our 1,174.7 million in cash, cash equivalents and short-term investments), including restricted cash.

The Group assesses interest rate risk by continuously monitoring and identifying changes in interest rate exposures that could negatively impact future cash flows. Additionally, the Group maintains and oversees interest rate risk associated with both outstanding and forecasted debt obligations.

At the reporting date the interest rate profile of the Group's interest–bearing financial instruments is:

	December 31, 2024	December 31, 2023
Carrying amount – asset/(liability)		
Fixed rate instruments		
Financial assets	$ 1,761,275	$ 1,545,337
Convertible loan agreement	89,881	104,889
Financial liabilities	(3,329,189)	(2,928,108)
Total	**$ (1,478,033)**	**$ (1,277,882)**
Floating rate instruments		
Financial assets	$ 862,303	$ 777,944
Financial liabilities	(729,882)	(585,355)
Total	**$ 132,421**	**$ 192,589**

A reasonably possible change of 5%, 10% and 15% in interest rates of financial assets and liabilities with floating rate as of December 31, 2024, would have increased (decreased) profit or loss as displayed in the following table. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

The Group has changed the comparative sensitivity analysis of the prior period to reflect the method used in the current period that consider the interest rates of floating rate financial assets in order to reflect in the most accurate way the risk management strategy.

	Effect in profit or loss			
	December 31, 2024		December 31, 2023	
	Increase	Decrease	Increase	Decrease
5% movement	$ 712	$ (712)	$ 422	$ (422)
10% movement	1,425	(1,425)	845	(845)
15% movement	2,137	(2,137)	1,267	(1,267)

(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 transaction, should a counterparty default.

There are no significant concentrations of credit risk as of the consolidated statements of financial position date. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Expected credit losses on trade receivable and contract assets are as follows:

	December 31, 2024	December 31, 2023
Expected credit losses on trade receivable and contract assets arising from contracts with customers	$ 6,148	$ 10,005

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 institutions (both local and international). The Group evaluates the credit standing of each counterparty and the levels of investment, based on (i) their credit rating, and (ii) investment limits according to the Group level of liquidity. According to these parameters, the Group establishes limits for operations with each counterparty.

To mitigate the credit risk arising from deposits in banks, 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 investments in financial instruments, different from deposits in bank, the Group requires a grade above A- from Standard & Poor's and equivalent rating from Moody's.

The Group's primary objective is to consistently sweep any excess cash beyond operational needs to the parent companies. All operational cash should be held in highly liquid instruments. No more than 50% of the total cash of the companies shall be allocated within the same financial group.

The Group prioritizes allocating liquidity in the United States with a minimum credit rating of A-. In Colombia, and other countries where the company operates, cash allocations must not exceed a few weeks of operational payments and should also be held in banks with a local rating of A- or better.

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") 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, 2024, the exposure to credit risk for trade receivable and contract assets by type of counterparty is as follows:

	December 31, 2024	December 31, 2023
Air Transportation	$ 186,410	$ 201,511
Miscellaneous	10,887	16,120
Miles	15,703	10,803
Others	1,851	5,747
Total	**$ 214,851**	**$ 234,181**

(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). Specific reserves may be made on certain receivables as facts and circumstances suggest is necessary

The expected credit loss assessment is as follows:

December 31, 2024

Buckets	Percentage of expected credit loss	Gross Carrying amount	Impairment loss allowance
Not past due	0.054 %	$ 142,941	$ 589
Past due 1 – 30 days	1.510 %	36,962	91
Past due 31 – 90 days	2.54 %	8,621	6
Past due more than 91 days	5,67% and 100%	26,327	5,462
Total		**$ 214,851**	**$ 6,148**

December 31, 2023

Buckets	Percentage of expected credit loss	Gross Carrying amount	Impairment loss allowance
Not past due	0.004 %	$ 146,974	$ 3,111
Past due 1 – 30 days	0.19 %	20,503	558
Past due 31 – 90 days	2.40 %	25,307	64
Past due more than 91 days	11.32% and 100%	41,397	6,272
Total		**$ 234,181**	**$ 10,005**

(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:

	Notes	December 31, 2024	December 31, 2023
Corporate debt	20	4,059,565	3,513,463
Lease liabilities (Aircraft and other rents)	17	2,801,862	2,483,952
Less: cash and cash equivalents	9	(961,605)	(883,053)
Total net debt		**5,899,822**	**5,114,362**
Total equity		857,009	907,511
Total capital		**6,756,831**	**6,021,873**
Net debt–to–capital ratio		**87.3 %**	**84.9 %**

(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, 2024, are as follows.

			December 31, 2024	
Financial assets	**Carrying amount measurement**	**Notes**	**Carrying amount**	**Fair value**
Short-term Investments	Amortized cost	9	$ 126,297	$ 126,297
Short-term Investments	Fair value through other comprehensive income and amortized cost	9	52,184	52,184
Convertible loan agreement	Fair value through profit or loss	19	89,881	89,881
Plan assets	Fair value through other comprehensive income	24	244	244
			$ 268,606	**$ 268,606**
Financial liabilities				
Short-term and long-term corporate debt	Amortized cost	20	$ 4,059,565	$ 4,229,572
Contingent consideration liability	Fair value through profit or loss	6-28	8,939	8,939
Warrants	Fair value through profit or loss	22	$ 19,082	$ 19,082
			$ 4,087,586	**$ 4,257,593**

Financial assets	Carrying amount measurement	Notes	December 31, 2023 Carrying amount	Fair value
Short-term Investments	Amortized cost	9	$ 206,583	$ 206,583
Short-term Investments	Fair value through other comprehensive income and amortized cost	9	50,970	50,970
Convertible loan agreement	Fair value through profit or loss	19	104,889	104,889
Plan assets	Fair value through other comprehensive income	24	280,372	280,372
			$ 642,814	**$ 642,814**
Financial liabilities				
Short-term and long-term corporate debt	Amortized cost	20	$ 3,513,463	$ 3,242,478
Warrants	Fair value through profit or loss	22	$ 28,040	$ 28,040
			$ 3,541,503	**$ 3,270,518**

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.

(9) Cash and cash equivalents and Short-Term Investments

	December 31, 2024	December 31, 2023
Cash	$ 946,077	$ 863,849
Cash equivalents (1)	15,528	19,204
Cash and cash equivalents	**$ 961,605**	**$ 883,053**
Short-term investments (2)	178,481	257,553
Short-term investments	**$ 178,481**	**$ 257,553**

(1) As of December 31, 2024 and 2023 cash equivalents correspond to investments funds that earned interest based on rates determined by the financial entities in which the cash is held. The use of investments funds depends on the Group's cash requirements during the period.

As of December 31, 2024 and 2023, the Group's cash and cash equivalents are free of restriction or charges that could limit its availability.

(2) The short-term classification corresponds to funds invested for terms of less than one year and bonds available for sale.

As of December 31, 2024, the Group presented in deposits and other assets $34,592 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). See note 14.

(10) Trade and other receivables

	December 31, 2024	December 31, 2023
Trade	$ 214,851	$ 234,181
Employee advances	3,436	4,450
Others	27,814	22,376
	$ 246,101	**$ 261,007**
Less estimate for expected credit losses (1)	(6,148)	(10,005)
Total	**$ 239,953**	**$ 251,002**

Trade receivables are non-interest bearing.

(1) The Group recognized impairment for expected credit losses as of December 31, 2024, for $(6,148) (December 31, 2023: $10,005).

	December 31, 2024	December 31, 2023
Opening balance	$ 10,005	$ 8,736
Net (recovery) provision for expected credit losses	(3,857)	1,269
Total	**$ 6,148**	**$ 10,005**

The age of trade accounts receivable at the end of the reporting period is disclosed in note 8 (f).

(11) Balances and transactions with related parties

The following table summarizes amounts receivable from and payable to the Group's related parties for the periods presented.

		December 31, 2024			December 31, 2023		
Company	**Country**	**Receivables**	**Payables**	**Expenses**	**Receivables**	**Payables**	**Expenses**
Caoba Capital S.A.	Panamá	—	10	2,860	—	10	2,500
Others	$—	—	174	1,724	49	82	—
Total		**$ —**	**$ 184**	**$ 4,584**	**$ 49**	**$ 92**	**$ 2,500**

There was no revenue recognized with related parties during the years ended December 31, 2024 and 2023.

	December 31, 2024		December 31, 2023	
	Receivables	**Payables**	**Receivables**	**Payables**
Short-term borrowings	**$ —**	**$ 184**	**$ 49**	**$ 92**
Total Related parties	$ —	$ 184	$ 49	$ 92

Key management personnel compensation expense

	December 31, 2024	December 31, 2023
Salaries and bonuses	$ 63,279	$ 58,308
Benefits and social charges	4,501	4,018
Others	1,051	1,051
Total	**$ 68,831**	**$ 63,377**

Additionally, key management personnel and Board members are participants of a management incentive plan as described in note 31.

(12) Expendable spare parts and supplies

	December 31, 2024	December 31, 2023
Expendable spare parts and supplies	$ 112,399	$ 98,030
Provision for lower of cost or net realizable value	(5,629)	(4,524)
SubTotal	**$ 106,770**	**$ 93,506**

For the year ended December 31, 2024, expendable spare parts and supplies in the amount of $83,957 and December 31, 2023: $59,598, were recognized as maintenance expense.

The changes in provision for lower of cost or net realizable value of the provision for obsolescence for expendable spare parts of supplies is as follows:

	December 31, 2024	December 31, 2023
Opening balance	$ (4,524)	$ (2,092)
Recognition of provisions	(2,157)	(3,955)
Provisions used	1,052	1,523
Total	**$ (5,629)**	**$ (4,524)**

(13) Investment in financial instrument- Gol

On March 2, 2023, Mobi, then the controlling shareholder of GOL Linhas Aéreas Inteligentes S.A. ("GOL"), contributed all of its common and preferred shares of GOL—representing 100% of the voting stock and 49.8% of GOL's economic interest at the time ("Mobi GOL Shares")—to Abra in exchange for newly issued Abra shares. Immediately thereafter, Abra contributed the Mobi GOL Shares, in equal parts, to Abra Mobi LLP (controlled by Mobi) and Abra Kingsland LLP (controlled by Kingsland International Group S.A. – "Kingsland"), together referred to as the "Abra LLPs." In return, Abra received 99.99% of the economic interests in the Abra LLPs, but no voting rights. As a result of these transactions, the Abra LLPs became the direct holders of 100% of GOL's common shares and 49.8% of its economic interest.

Subsequently, other preferred shareholders of Gol (Path LLC and Constantino Oliveira Junior) contributed their preferred shares—representing approximately 3% of GOL's economic interest at the time—to Abra in exchange for Abra shares. Following these transactions, Abra became the direct holder of approximately 3% and the indirect holder of approximately 49.8% of GOL's economic interest, totaling approximately 52.8% of GOL's economic interest, while holding no voting interest in GOL's, which remained entirely held by the Abra LLPs.

Despite holding nearly all economic rights in the Abra LLPs, Abra does not have any voting rights or decision-making power over the Abra LLPs or GOL. The voting power and management of the Abra LLPs, and consequently of GOL, remain exclusively with Mobi and Kingsland, each controlling 50% of the votes. There is no agreement between the Abra LLPs requiring joint decisions or allowing Abra to influence or veto relevant decisions regarding GOL. Abra holds only economic rights, with no power to direct the relevant activities of GOL. GOL's board of directors is composed mainly of members appointed by Mobi and Kingsland, with no significant overlap with Abra's board, reinforcing the absence of control or significant influence by Abra over GOL.

Given the above, Abra does not have control, joint control, or significant influence over GOL. Therefore, Abra's investment in GOL is classified as a financial instrument, measured at fair value through profit or loss (FVTPL), in accordance with the principles of IFRS 9 – Financial Instruments.

On January 25, 2024, GOL voluntarily filed for Chapter 11 protection in the United States, resulting in the suspension of trading of its American Depositary Shares (ADS) in the U.S. market.

Management concluded that the financial investment in GOL should be fully written off as of December 31, 2023, recognizing an impairment of $791,297, due to the following factors:

- Impairment indicators existed as of December 31, 2023, considering the possibility of GOL entering into Chapter 11;
- The actual filing for Chapter 11 in January 2024 confirms that these impairment indicators existed as of December 31, 2023.
- Management has analyzed the potential recovery of its investment and concluded that the most probable outcome of the restructuring process is that shareholders will not recover any significant amount of their investment (see Note 37).

(14) Deposits and other assets

	December 31, 2024	December 31, 2023
Short Term:		
Deposits with lessors (1)	$ 3,578	$ 2,809
Guarantee deposits (2)	9,767	15,069
Commission (3)	12,469	13,447
Restricted cash (4)	14,870	10,794
Others	19	1,848
Subtotal	**40,703**	**43,967**
Long Term:		
Deposits with lessors (1)	$ 71,564	$ 64,487
Guarantee deposits (2)	10,220	21,123
Restricted cash (4)	19,722	5,517
Labor lawsuits (5)	22,098	25,369
Others	198	146
Long term investments (6)	7,831	7,696
Subtotal	**131,633**	**124,338**
Total	**$ 172,336**	**$ 168,305**

(1) Corresponds primarily to aircraft operating lease security deposits, which are recoverable under the return conditions of the lease.

(2) Corresponds to the amounts paid to suppliers in relation to airport facility leasing, among other service agreements. These qualify as assets because they represent prepaid amounts that will be consumed through future airport services, providing future economic benefits to the group.

(3) Corresponds to prepaid travel agency commissions.

(4) As of December 31, 2024, the Group presented in deposits and other assets $34,592 of restricted cash, pledged from its checking and saving accounts to fulfill collateral requirements according to the definition of demand deposit (December 31, 2023: $16,311). See note 8.

(5) Corresponds to court deposits in connection with civil and labor lawsuits, which remain in court until the resolution of the disputes to which they are related

(6) Corresponds to an investment in associate.

(15) Assets held for sale

	December 31, 2024	December 31, 2023
Airbus aircraft and engines	$ 3,556	$ 10,743
Total assets held for sale	**$ 3,556**	**$ 10,743**

As of December 31, 2024, the Group classified as held for sale two (2) B767 aircraft and one (1) engine. (December 31, 2023: one A330 and two (2) A300-F aircraft). During 2024 one A330 aircraft no longer met the criteria to be classified as an asset held for sale and consequently has been reclassified to property and equipment (see note 16). This change did not have impact on the consolidated statements of comprehensive income (loss).

(16) Property and equipment

The tables presented below detail the cost activity recognized in each asset class for the periods presented:

	Flight Equipment	Capitalized Maintenance	Rotable Spare parts	Reimbursement of predelivery payments	Administrative Property	Other property and equipment	Total
Cost							
December 31, 2023	**$ 171,810**	**$ 240,539**	**$ 222,343**	**$ 106,986**	**$ 114,995**	**$ 125,135**	**$ 981,808**
Additions (1)	132,928	212,874	48,375	61,421	124	6,804	462,526
Disposals	(3,409)	(1,814)	(13,248)	—	(345)	(15,886)	(34,702)
Devaluation	—	—	—	—	(4,606)	—	(4,606)
Transfers	(15,224)	(469)	(349)	14,783	—	1,259	—
Transfers from assets held for sale	10,000	—	—	—	—	—	10,000
Transfers to assets held for sale	(13,298)	—	(6,621)	—	—	(795)	(20,714)
Reclassification to right of use assets	(57,227)	—	(29,409)	—	—	(1,301)	(87,937)
Acquisition of subsidiary (Note 6)	14,625	—	—	—	623	1,299	16,547
Foreign currency translation	(1,094)	—	—	—	249	91	(754)
December 31, 2024	**$ 239,111**	**$ 451,130**	**$ 221,091**	**$ 183,190**	**$ 111,040**	**$ 116,606**	**$ 1,322,168**
Accumulated depreciation:							
December 31, 2023	**$ 15,358**	**$ 5,991**	**$ 16,127**	**$ —**	**$ 3,046**	**$ 41,701**	**$ 82,223**
Additions	10,996	33,639	14,206	—	2,251	13,013	74,105
Disposals	(3,080)	(421)	(6,606)	—	(336)	(11,627)	(22,070)
Transfers	(259)	—	259	—	—	—	—
Transfers to assets held for sale	(11,209)	—	(4,600)	—	—	(752)	(16,561)
Reclassification to lease asset	(5,354)	—	(625)	—	—	1,675	(4,304)
Foreign currency translation	1,336	—	—	—	44	(44)	1,336
December 31, 2024	**$ 7,788**	**$ 39,209**	**$ 18,761**	**$ —**	**$ 5,005**	**$ 43,966**	**$ 114,729**
Net balances:							
December 31, 2023	**$ 156,452**	**$ 234,548**	**$ 206,216**	**$ 106,986**	**$ 111,949**	**$ 83,434**	**$ 899,585**
December 31, 2024	**$ 231,323**	**$ 411,921**	**$ 202,330**	**$ 183,190**	**$ 106,035**	**$ 72,640**	**$ 1,207,439**

(1) The difference between additions and acquisitions in the consolidated statement of cash flows corresponds to capitalized interest for $ 17,565 account payable for $ 15,590, maintenance reimbursement (OVH) for ($ 10,465) and others non-cash for $6,183.

	Flight Equipment	Capitalized Maintenance	Rotable Spare parts	Reimbursement of predelivery payments	Administrative Property	Other property and equipment	Total
Cost							
December 31, 2022	**$ 134,574**	**$ 98,137**	**$ 214,206**	**$ 88,687**	**$ 97,573**	**$ 105,025**	**$ 738,202**
Additions (1)	90,375	155,917	60,461	20,589	—	40,515	367,857
Disposals	(18,855)	(10,426)	(20,563)	—	—	(20,667)	(70,511)
Revaluation	—	—	—	—	22,826	—	22,826
Impairment	—	—	(2,305)	—	—	—	(2,305)
Transfers	(27,487)	(3,089)	(29,456)	(2,290)	(5,404)	262	(67,464)
Transfers from assets held for sale	(6,796)	—	—	—	—	—	(6,796)
December 31, 2023	**$ 171,810**	**$ 240,539**	**$ 222,343**	**$ 106,986**	**$ 114,995**	**$ 125,135**	**$ 981,808**
Accumulated depreciation:							
December 31, 2022	**$ 11,242**	**$ 133**	**$ 10,554**	**$ —**	**$ 1,419**	**$ 28,402**	**$ 51,750**
Additions	10,819	18,453	10,974	—	1,627	13,830	55,703
Disposals	(650)	(10,208)	(4,531)	—	—	(578)	(15,967)
Transfers	—	(2,387)	(870)	—	—	47	(3,210)
Transfers from assets held for sale	(6,053)	—	—	—	—	—	(6,053)
December 31, 2023	**$ 15,358**	**$ 5,991**	**$ 16,127**	**$ —**	**$ 3,046**	**$ 41,701**	**$ 82,223**
Net balances:							
December 31, 2022	**$ 123,332**	**$ 98,004**	**$ 203,652**	**$ 88,687**	**$ 96,154**	**$ 76,623**	**$ 686,452**
December 31, 2023	**$ 156,452**	**$ 234,548**	**$ 206,216**	**$ 106,986**	**$ 111,949**	**$ 83,434**	**$ 899,585**

(1) The difference between additions and acquisitions in the consolidated statement of cash flows corresponds to capitalized interest for $ 10,263 account payable for $ 23,375, Total Care provision for $13.732 and others non-cash for $7,360.

(17) 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 and 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

	Aircraft	Return conditions	Real estate	Total
Balance As of December 31, 2023	**$ 2,299,278**	**$ 321,014**	**$ 81,541**	**$ 2,701,833**
Additions	290,693	128,257	11,596	430,546
Transfer	—	—	—	—
Modification of leases	179,400	(27,153)	—	152,247
Depreciation expense	(341,964)	(66,754)	(12,871)	(421,589)
Acquisition of subsidiary (Note 6)	168,960	—	—	168,960
Foreign currency translation	(7,038)	—	—	(7,038)
Balance As of December 31, 2024	**$ 2,589,329**	**$ 355,364**	**$ 80,266**	**$ 3,024,959**

Additions of the right-of-use assets include new leases, contract extensions, changes in discount rate and changes in rental payments related with A320N, A320 and A330F fleet and engines.

	Aircraft	Return conditions	Real estate	Total
Balance As of December 31, 2022	**$ 1,497,024**	**$ 341,224**	**$ 73,034**	**$ 1,911,281**
Additions	1,061,100	41,414	20,206	1,122,720
Depreciation expense	(258,846)	(61,624)	(11,699)	(332,169)
Balance As of December 31, 2023	**$ 2,299,278**	**$ 321,014**	**$ 81,541**	**$ 2,701,833**

Additions of the right-of-use assets include new leases, contract extensions, changes in discount rate and changes in rental payments related with A320 and B787 fleet and engines.

Lease liabilities

	December 31, 2024	December 31, 2023
Current portion of lease liability		
Aircraft and engines	$ 354,063	$ 258,010
Real estate	7,652	11,350
	361,715	**269,360**
Long-term lease liability		
Aircraft and engines	2,384,069	2,154,279
Real estate	56,078	60,313
	2,440,147	**2,214,592**
Total lease liabilities	**$ 2,801,862**	**$ 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 and presented under the caption "Provisions for return conditions" in the consolidated statements of financial position.

	December 31, 2024	December 31, 2023
Current	$ 14,993	$ 2,840
Non-current	617,448	499,639
Total	**$ 632,441**	**$ 502,479**

Changes in provisions for return conditions are as follows:

	December 31, 2024	December 31, 2023
Opening balance	$ 502,479	$ 443,033
Recognition of provisions	130,592	30,415
Recovery provisions (1)	(40,183)	—
Present value adjustment	27,966	29,428
Provision used	(8,098)	(397)
Acquisition of Subsidiary	20,808	—
Foreign currency translation	(1,123)	—
Total provision for return conditions	**$ 632,441**	**$ 502,479**

(1) During the year ending December 31, 2024, the Group recognized the write-off of the provision for return conditions of ten (10) A320 and one (1) A330F aircraft associated with the renegotiation of the contracts.

Future aircraft leases 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 seventy-one (171) aircraft that are under leases, three (3) of them consist in short-term and variable rent leases and one hundred sixty eight (168) 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 December 31, 2024, all amounts are gross and undiscounted:

		Aircraft
Less than one year	$	571,836
Between one and five years		2,056,218
More than five years		1,310,784
	$	**3,938,838**

As of December 31, 2024, the Group has ten (10) spare engines that are under leases to support its aircraft fleet of A320, A320 NEO, A319 and B787. The following is the summary of the future commitments of leases as of December 31, 2024, all amounts are gross and undiscounted:

		Spare Engines
Less than one year	$	18,882
Between one and five years		58,053
More than five years		9,168
	$	**86,103**

The value of payments recognized as expenses during the periods presented are as follows:

	December 31, 2024	**December 31, 2023**
Variable lease payments	$ 49,530	$ 116,910
Leases of low-value assets	21,080	14,558
Total	**$ 70,610**	**$ 131,468**

Future payments

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

December 31, 2024

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	$ 301,163	$ 326,471	$ 359,360	$ 332,823	$ 321,600	$ 1,047,097	**$2,688,514**
Interest	$ 285,990	$ 253,928	$ 209,131	$ 174,179	$ 140,344	$ 272,855	**$1,336,427**

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	$ 125,077	$ 325,710	**$1,281,159**

Other lease liabilities

December 31, 2024

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	$ 9,502	$ 9,158	$ 3,715	$ 3,169	$ 3,028	$ 26,863	**$ 55,435**
Interest	$ 4,018	$ 3,772	$ 3,099	$ 2,742	$ 2,454	$ 9,354	**$ 25,439**

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 December 31, 2024

	Opening balance	Acquisition of subsidiary	New Lease (1)	Financial cost	Payments	Interest Payments	Others	Foreign currency translation	December 31, 2024
Aircraft and engines rentals – lease liabilities	$ 2,412,290	$ —	$ 394,477	$ 278,153	$ (245,433)	$ (275,923)	$ 47,924	$ —	$ 2,611,488
Other rentals – lease liabilities	71,662	—	9,965	5,790	(11,208)	(5,160)	(7,383)	64	63,730
Acquisition of subsidiary (Note 6)	—	139,104	—	—	(5,300)	(1,317)	—	(5,843)	126,644
Total lease liabilities from financing activities	**$ 2,483,952**	**$ 139,104**	**$ 404,442**	**$ 283,943**	**$ (261,941)**	**$ (282,400)**	**$ 40,541**	**$ (5,779)**	**$ 2,801,862**

(1) The main additions in aircraft and engine rentals for the year ended December 31, 2024, correspond to:$211,475 for six (6) 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 $ 9,965 for other rentals.

Changes in liabilities derived from lease financing activities at December 31, 2023

	Opening balance	New Lease (1) & (2)	Financial cost	Payments	Interest Payments	Others and reclassifications	December 31, 2023
Aircraft and engines rentals – lease liabilities	$ 1,554,702	$ 1,032,723	$ 215,027	$ (190,069)	$ (186,192)	$ (13,901)	$ 2,412,290
Other rentals – lease liabilities	42,889	23,915	6,779	(9,287)	(4,633)	11,999	71,662
Total lease liabilities from financing activities	**$ 1,597,591**	**$ 1,056,638**	**$ 221,806**	**$ (199,356)**	**$ (190,825)**	**$ (1,902)**	**$ 2,483,952**

(1) The main additions in leases for the year ended December 31, 2023, correspond to aircraft rentals for the lease of 39 operating aircraft of the families (33 A320 and six B787 aircraft) and three spare engines for a total of $910,892. Additions of incremental rent for a $19,109, the lease of one TRENT 1000-D2 for $31,508 and additional debt for $71,214 for the lease of four A330F aircraft.

(2) The additions in other rentals for the year ended December 31, 2023, correspond primarily to Avianca Hangar in El Dorado International Airport for $5,243 and VIP lounges for $12,620.

(18) Intangible asset and goodwill

	December 31, 2024	December 31, 2023
Trademarks	$ 662,546	$ 644,141
Customer Relationships and Routes	531,572	526,104
Software and Webpages	78,822	89,853
Agreements (Code-share and Star Alliance)	50,569	57,871
Slots	9,506	9,506
Total intangible assets	**1,333,015**	**1,327,475**
Goodwill	1,602,059	1,522,075
Total	**$ 2,935,074**	**$ 2,849,550**

The following provides detail on intangible assets and goodwill as of December 31, 2024 and 2023:

	Goodwill	Customer Relationships and Routes	Agreements (Codeshare and Star Alliance)	Trademarks	Software and Webpages	Slots	Total
Cost:							
December 31, 2023	**$ 1,522,075**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 157,259**	**$ 9,506**	**$ 2,998,016**
Additions (1)	—	—	—	—	22,200	—	22,200
Acquisition of subsidiary	84,366	34,424	—	19,316	406	—	138,512
Foreign currency translation	(4,382)	(1,108)	—	(911)	164	—	(6,237)
December 31, 2024	**$ 1,602,059**	**$ 625,326**	**$ 73,025**	**$ 662,546**	**$ 180,029**	**$ 9,506**	**$ 3,152,491**
Accumulated Amortization:							
December 31, 2023	**$ —**	**$ 65,906**	**$ 15,154**	**$ —**	**$ 67,406**	**$ —**	**$ 148,466**
Amortization of the period	—	27,848	7,302	—	33,801	—	68,951
December 31, 2024	**$ —**	**$ 93,754**	**$ 22,456**	**$ —**	**$ 101,207**	**$ —**	**$ 217,417**
Carrying Amounts:							
December 31, 2023	**$ 1,522,075**	**$ 526,104**	**$ 57,871**	**$ 644,141**	**$ 89,853**	**$ 9,506**	**$ 2,849,550**
December 31, 2024	**$ 1,602,059**	**$ 531,572**	**$ 50,569**	**$ 662,546**	**$ 78,822**	**$ 9,506**	**$ 2,935,074**

(1) The difference between additions and acquisitions in the consolidated statement of cash flows corresponds to capitalized interest for $1,552

	Goodwill	Customer Relationships and Routes	Agreements (Codeshare and Star Alliance)	Trademarks	Software and Webpages	Slots	Total
Cost:							
December 31, 2022	**$ 1,522,075**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 135,298**	**$ 9,506**	**$ 2,976,055**
Additions	—	—	—	—	21,961	—	21,961
December 31, 2023	**$ 1,522,075**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 157,259**	**$ 9,506**	**$ 2,998,016**
Accumulated Amortization:							
December 31, 2022	**$ —**	**$ 42,297**	**$ 7,852**	**$ —**	**$ 35,282**	**$ —**	**$ 85,431**
Amortization of 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	**$ 1,522,075**	**$ 549,713**	**$ 65,173**	**$ 644,141**	**$ 100,016**	**$ 9,506**	**$ 2,890,624**
December 31, 2023	**$ 1,522,075**	**$ 526,104**	**$ 57,871**	**$ 644,141**	**$ 89,853**	**$ 9,506**	**$ 2,849,550**

Goodwill and intangible assets with indefinite useful life

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the Avianca and Wamos operating and reporting segments.

The carrying amount of goodwill and intangible assets with indefinite useful life allocated to Avianca and Wamos are as follows:

	December 31, 2024		December 31, 2023
	Avianca	Wamos	Avianca
Goodwill	$ 1,522,075	$ 79,984	$ 839,091
Trademarks	644,141	18,405	644,141
Routes	94,949	—	94,949
Slots	9,506	—	9,506

As of December 31, 2024, the Group did not identify potential goodwill, intangible assets nor property and equipment with impairment losses.

Basis for calculating recoverable amount

The recoverable amounts of CGU have been measured based on their value-in-use.

In 2024 and 2023, value-in-use was calculated using a discounted cash flow model. Cash flow projections are based on the latest forecasted annual business plan, which is updated for CGU specific compounded annual growth (CAGR) assumptions for revenues and operating expenses as well as reflect current macroeconomic conditions. Macroeconomic assumptions are based on market data extracted from Bloomberg for both the expected WTI price and the expected foreign exchange rates, which have a direct impact on our cost projections, all costs are affected by inflation. Additionally, the 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. Cash flows beyond the five-year period are projected to increase based on long-term growth rates. Cash flow projections are discounted using the CGU's capital asset pricing model discount rate

The assumptions used to determine the value-in-use of the CGU include aircraft leasing contracts. 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 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.

While cash flow projections are the primary basis of measuring recoverability of goodwill and intangible assets, we also evaluate projected EBITDA presented to the Board of Directors as secondary approximation of our future cash flows. "EBITDA" refers to the net income (loss) for the period, excluding income tax expense (benefit)—deferred, income tax expense—current, interest expense, depreciation of right of use asset, other depreciation, amortization, and impairment.

Primary assumptions used in above value-in-use calculations are as follows:

	December 31, 2024	December 31, 2023
EBITDA	$ 1,131,483	$ 939,781
Compound revenue growth (CAGR) during the planning period	5.00 %	5.99 %
Compound operating expense (CAGR) during the planning period	3.90 %	4.76 %
Discount rate	22.20 %	24.10 %
Terminal growth rate	4.70 %	3.60 %

The Group applied the equity value method for the determination of the value in use.

(19) Investments in Equity Instruments and Other Investments

	December 31, 2024	December 31, 2023
Convertible Loan Sky	$ 89,881	$ 104,889
Rexton Loans	25,669	25,771
Less impairment - Rexton Loans	(25,669)	(25,771)
Investment SSNs 2028 and ESSNs 2028 - GOL	1,573,627	1,307,497
Total other investments	**$ 1,663,508**	**$ 1,412,386**

Investment in Sky

In September 2021, Andes Limited Inc. (“Andes” or "the Lender") entered into an agreement to lend a total of $70,000 to Sky Airline S.A. ("Sky" or "the Borrower") under a convertible loan agreement (“Convertible Loan”) with a maturity date of October 2026 and a stated term of five years. The Convertible Loan contemplates the potential conversion of the debt into 41.04% of the total number of Sky shares on a fully diluted basis (the "Conversion"). Interest and fees on the Convertible Loan will be capitalized and added to the unpaid balance, that will be paid or converted.

The Lender may exercise the right to convert the Convertible Loan from the closing date of the agreement until the maturity date by providing written notification to the Borrower. If the swap is consummated prior to the Conversion, the Conversion will require our approval (as a minority shareholder of Andes) and the approval of the holder of the majority stake in Andes. The Conversion may only occur once. Upon completion of the Conversion, the Convertible Loan will be considered fully paid.

Andes does not meet the definition of a business under IFRS 3 because the fair value of the entity’s gross assets is concentrated in the Convertible Loan issued to Sky. Therefore, the acquisition was of a financial asset and is accounted for under IFRS 9. The fair value of the investment acquired was $87,348, of which 100% was equity consideration. The Convertible Loan is measured at FVTPL, which was $89,881 as of December 31, 2024 (December 31, 2023: $104,889).

The changes in fair value during the periods presented were recognized in the line "Net change in fair value of financial instruments" in our consolidated statements of comprehensive income (loss) as follows:

	December 31, 2024	December 31, 2023
Balance at the beginning of the year	$ 104,889	$ 97,290
Fair value (loss) gain arising during the period (1)	(15,008)	7,599
Total	**$ 89,881**	**$ 104,889**

(1) See note 28 for additional fair value disclosures.

The Group monitors changes in credit risk associated with the Convertible Loan through a quarterly analysis of the financial situation and the Borrower´s compliance of the following financial targets contemplated in Section 3.01 of the Convertible Loan:

- Minimum Cash Balance
- Minimum EBITDAR for the last twelve months according to IFRS 16
- Maximum Financial Debt
- Maximum Gross Debt, including fleet obligations according to IFRS 16

Since the second quarter of 2024, the Borrower has not complied with some of the financial targets associated with the Convertible Loan (as evidenced in compliance certificates received by the Group at the end of each quarter); notwithstanding, this did not constitute an event of default nor an acceleration event according to the terms of the Convertible Loan.

Based on the latest credit risk assessment of the Borrower, the Group has applied a higher risk premium to compute the fair value of the Convertible Loan, resulting in a decrease from $104,889 as of December 31, 2023 to $89,881 as of December 31, 2024.

Under the Convertible Loan, the Borrower granted to the Lender a lien on, and security interest in, the collateral pursuant to the terms of the Pledge Agreements and the Additional Pledge Agreements (as defined in the Convertible Loan) associated with the Convertible Loan. The Collateral is composed of the following:

- Cash accounts and accounts receivables
- Assets, products, and components used by Sky in the ordinary course of business.
- Brands and registered intellectual property
- Shares

Rexton Loan Agreements

IV1L and AGIL entered into loan agreements with Rexton in April and July 2022, respectively, for a total amount of $25,669 ($21,844 initial loan and $1,233 for interest capitalization, plus $2,500 initial loan and $92 for interest capitalization, respectively), (December 31, 2023: $25,669) (“Rexton Loans”). The Rexton Loans have a stated term of five years, and interest will be capitalized and added to the unpaid balances, which will be paid on the due date. As of December 31, 2024, the Rexton Loans were fully impaired.

Investment in Viva

On April 28, 2022, Rexton Enterprises, S.A. ("Rexton"), as direct owner of Colombian low cost airline Viva Airlines ("Viva"), transferred 100% of its voting rights in Viva through two Trust Agreements to an independent third-party beneficiary, while retaining 100% of the economic rights in Viva.

On April 29, 2022, IV1L acquired: (i) 100% of the shares of Rexton, (ii) indirectly, 100% of the shares of Rexton's direct subsidiary Molyton Business S.A., and (iii) indirectly, 100% of the economic interests of Viva. IV1L allotted and issued 4,236,978 ordinary shares to Viva Air Investments Limited and 119,689 ordinary shares to Pangaea Three-B, LP as consideration in exchange for 100% of their shares in Rexton. The acquisition of the voting rights of Viva by IV1L was subject to antitrust approval in Colombia, which was requested by Aerovías del Continente Americano S.A. Avianca before the Colombian Civil Aviation Authority ("Aerocivil") on August 8, 2022.

On August 5, 2022, IV1L, AGIL, Rexton, and West Castle Limited signed a Right of Use and Enjoyment Agreement ("Usufruct"), effective as of August 8, 2022. The Usufruct Agreement transferred West Castle Limited the irrevocable right to all voting rights associated with the shares of Rexton except for the veto rights over certain special decisions, such as those pertaining to mergers, spin-offs, or acquisitions, which did not grant any type of control over the respective entities under Peruvian and Colombian law. The Usufruct Agreement did not affect the economic rights related to Rexton shares, which remained in IV1L.

On November 23, 2022, ULCC Holdings Limited ("ULCC") was incorporated for the purpose of acquiring 100% of the shares of Rexton, including the Usufruct Agreement, from IV1L in exchange of 100% of their shares upon the execution of a Share Exchange Agreement.

IV1L remained as the beneficiary of the economic rights related to the Rexton shares (and indirectly, the Viva airlines) until September 7, 2023, when the commitments agreed with the Superintendency of Industry and Commerce were implemented. As a result, the shares (including the economic rights) of Rexton are now owned by a trust which is managed by an independent third party.

IV1L did not have significant influence and retained only indirect economic rights of Viva when the acquisition of Rexton shares took place. In accordance with IFRS 9, the Group designated this investment in equity instrument as at FVOCI. The fair value of the investment in Rexton was determined through application of a discounted cash flow model involving significant unobservable inputs (Level 3).

In 2022, Viva underwent significant financial distress which was aggravated by the delay in the antitrust approval process associated with the Group's acquisition. Due to the deterioration of Viva's financial condition in 2022 and 2023 and the delay in the antitrust approval process, the Group recognized a substantial reduction to the fair value of its investment in Viva. The 2022 valuation of the Group's investment in Viva was based on a market approach that was then adjusted for the Group's expectations regarding the probability of approval of the acquisition by Aerocivil. As of December 31, 2022, the Group expected the probability of approval to be low but greater than zero since the case was still being contemplated and pending as of that date. Given the low expected probability of approval, the Group recognized a significant reduction to the fair value of the investment in Viva in the amount of $188,800 for the year ended December 31, 2022.

In February 2023, Viva suspended its operations and in June 2023 its liquidation process was initiated. In addition, in May 2023, the Group withdrew its plans for the acquisition of Viva and management's expectation regarding the probability of approval was reduced to zero. Therefore, the Group reduced the fair value (see note

25) of its investment in Viva to zero as of March 31, 2023. The value of the investment remains at zero as of December 31, 2023 and December 31, 2024.

The change in investments in equity instruments designated as at FVOCI is as follows for the periods presented:

	2024	2023
Balance at the beginning of the year	$ —	$ 19,000
Change in fair value	—	(19,000)
Total	**$ —**	**$ —**

(1) See note 28 for additional fair value disclosures.

Investment SSNs 2028 and ESSNs 2028 - GOL

In February 2023, the Group signed a support agreement with GOL to invest in GOL from the issuance of Senior Secured Notes maturing in 2028. For this purpose, Abra agreed to issue Senior Secured Notes ("SSNs") maturing in 2028, convertible into Exchangeable Senior Secured Notes ("ESSNs") maturing in 2028.

In March 2023, Abra issued the SSNs and entered into the Senior Secured Note Purchase Agreement with GOL as the guarantor and paying agent, GOL Finance as the issuer. On the same date, GOL issued Senior Secured Notes 2028 ("SSNs 2028") to Abra, in the amount of $896,664, which provide for an interest rate of 18.0%, payable semiannually, with 4.5% in cash coupons and 13.5% p.a. in PIK (Payment in Kind), and an Original Issue Discount (“OID”) of 15%. SSNs 2028 are backed by intellectual property, system infrastructure, data and Smiles loyalty program manuals.

On September 29, 2023, GOL converted $1,180,442 of SSN 2028 into Exchangeable Senior Secured Notes 2028 (“ESSNs 2028”), which may be converted into GOL preferred shares by Abra and are subject to certain conditions precedent, which may or may not be met. This conversion was assessed in accordance with IFRS 9 and had no impact in the Statement of comprehensive (loss) income of the Company.

As of December 31, 2024, GOL owed $278,591 (December 31, 2023, $233,304) to Abra, in the form of Senior Secured Notes 2028. As of the same date, GOL owed $1,286,278 (December 31, 2023, $1,065,436) in the form of Exchangeable Senior Secured Notes 2028 ("ESSNs 2028").

As of December 31, 2024, there is no impairment amount recognized on the SSNs 2028 due to the following primary factors, which have led Management to conclude that they will recover the amounts of the outstanding GOL Notes:

- Seniority of the GOL Notes held by Abra respective of other creditors.
- Collateral held by Abra over assets of GOL, whose fair value is greater than the amounts of the outstanding GOL Notes.
- Orders issued by the Chapter 11 Bankruptcy Court guaranteeing adequate protection for Abra to continue to receive payment on interest and principal associated with the GOL Notes.

	Notional	New Issuances	Capitalized PIK	Prepayment	Interest (Cash)	Interest (PIK)	OID	OID Amortization	Balance
GOL SSN 2028	$ 252,446	$ 17,647	$ 35,388	$ (15,000)	$ 1,089	$ 8,333	$ (26,642)	$ 5,330	$ 278,591
GOL SSEN 2028	1,207,445	—	168,507	—	5,160	39,114	(177,066)	43,119	1,286,279
Total	**$ 1,459,891**	**$ 17,647**	**$ 203,895**	**$ (15,000)**	**$ 6,249**	**$ 47,447**	**$ (203,708)**	**$ 48,449**	**$ 1,564,870**

Accounts receivables	**$ 8,757**
Total December, 2024	**$ 1,573,627**

	Notional	Interest (Cash)	Interest (PIK)	OID	OID Amortization	Balance
GOL SSN 2028	$ 252,446	$ 898	$ 2,693	$ (23,994)	$ 1,261	$ 233,304
GOL SSEN 2028	$ 1,207,445	$ 4,528	$ 13,583	$ (177,066)	$ 16,946	$ 1,065,436
Total	**$ 1,459,891**	**$ 5,426**	**$ 16,276**	**$ (201,060)**	**$ 18,207**	**$ 1,298,740**

Accounts receivables	**$ 8,757**
Total December 31, 2023	**$ 1,307,497**

(20) Debt

	December 31, 2024	December 31, 2023
Currents:		
Short-term borrowings and current portion of long-term debt	$ 295,361	$ 206,818
Long term debt	3,764,204	3,306,645
	$ 4,059,565	**$ 3,513,463**

Terms and conditions of the Group's outstanding obligations for the periods presented is as follows:

		December 31, 2024		
	Due through	Weighted average interest rate	Nominal Value	Carrying Amount
Long-term debt	2030	9.2%	$ 2,603,450	$ 2,427,627
SSN 29	2029	16.73%	510,000	638,068
Term Loan 29	2029	16.73%	740,000	535,617
SSEN 28	2028	7.48%	458,345	458,253
Total			**$ 4,311,795**	**$ 4,059,565**

	December 31, 2023			
	Due through	**Weighted average interest rates**	**Nominal value**	**Carrying Amount**
Long-term debt	2030	9.5%	$ 2,431,027	$ 2,287,659
SSN 28	2028	11.67%	458,345	451,821
ESSN 28	2028	11.67%	959,835	773,983
Total			**$ 3,849,207**	**$ 3,513,463**

Bank guarantees

In order to comply with certain contractual or operating obligations, as of December 31, 2024, the Group has a total of $23,790 (December 31, 2023: $20,244), in guarantees issued through financial entities. These guarantees are issued in favor of third parties.

Covenants

Abra

On October 22, 2024, Abra Global Finance entered into a SSN 29, Term Loan 29 and amended its existing SSEN 28. These agreements impose customary covenants and restrictions on Abra and its subsidiaries. The principal financial covenant under these agreements is the maintenance of a Loan-to-Value ratio not exceeding 75% as of the last day of each fiscal quarter, calculated as (i) the sum of the aggregate principal amount of the SSN 29, Term Loan 29, SSEN 28 and any other indebtedness for borrowed money, minus cash and cash equivalents, of Abra Group Limited, Abra Global Finance and any other Guarantor of the SSN 29, Term Loan 29, SSEN 28, divided by (ii) the value of eligible assets, with a temporary increase to 100% for 15 months after confirmation of GOL's Chapter 11 Plan of Reorganization. If the Loan-to-Value ratio exceeds the applicable threshold, the Company has up to 180 days to cure through prepayment, cash injection or other permitted actions, and failure to cure constitutes an event of default. The agreements also restrict the incurrence of additional indebtedness and the making of restricted payments such as dividends and share repurchases unless specific conditions are met, including compliance with financial ratios and absence of default. The obligations under these agreements are secured by a first-priority lien on shares of key subsidiaries, receivables, bank accounts and other assets as defined in the collateral documents. The agreements further impose limitations on asset sales, mergers and affiliate transactions, require delivery of quarterly and annual financial statements and compliance certificates, and mandate that proceeds from asset sales of any property or asset constituting collateral be used to prepay or redeem debt or be deposited in segregated collateral accounts. As of December 31, 2024, Abra was in compliance with all financial and non-financial covenants under the Term Loan Credit Agreement, the 2029 Senior Secured Notes Indenture and the SSEN Third Supplemental Indenture, and no event of default had occurred.

IV1L

On September 10, 2024, USAVFLOW II LIMITED, as borrower, Avianca Group International Limited and Avianca Costa Rica S.A., f/k/a(formerly known as) Lineas Aéreas Costarricenses S.A., as guarantors, certain lenders and Deutsche Bank Trust Company Americas, as administrative agent and collateral agent entered into a loan agreement (the "USAVFlow II Facility"), backed by certain credit card receivables, pursuant to which certain credit card processors are required to deposit collections in pass through accounts of the company.

On February 20, 2025, it was ascertained that one non-material credit card processor unilaterally, and in breach of its obligations, failed to make such deposits for $1.3 million beginning on December 5, 2024 (the "Deposit Default"). In accordance with the terms of the USAVFlow II Facility, such processor's Deposit Default, which continued for a period in excess of 10 consecutive days, in itself constituted both a standalone event of default and a trigger event under a related cash management agreement, which constituted a separate event of default, both of which were continuing as of December 31, 2024 (collectively, the "USAVFlow II Events of Default"). On February 26, 2025, USAVFLOW II LIMITED, Avianca Group International Limited, Avianca Costa Rica S.A. and Deutsche Bank Trust Company Americas, as administrative agent and on behalf of the required lenders necessary for purposes of granting waivers of past defaults, entered into two waiver agreements pursuant to which the required lenders acknowledged and agreed to waive the USAVFlow II Event of Default related to the Deposit Default. Consequently, as of the date of these financial statements, there is no continuing default or event of default under the USAVFlow II Facility and therefore the lenders do not have the right to accelerate repayment relating to the Deposit Default.

As of December 31, 2024, the Group was unable to comply with a non-financial covenant corresponding to a loan facility (the "USAVFlow II Facility") payable in 2029. Because the Group did not have the right to defer settlement for at least 12 months after the reporting date, USAVFlow II Facility was classified as current at the end of 2024 in the amount of $193,805. Since the lenders do not have the right to accelerate repayment for USAVFlow II Facility upon signing the waivers on February 26, 2025, the Group expects to reclassify the obligation as "non-current" for the carrying amount for $193,928, with a settlement period of 12 months or longer for the reporting period following the agreed waivers.

During the year ended December 31, 2023, the Group was unable to comply with a non-financial covenant corresponding to a loan facility (the "USAVFlow Facility"). Consequently, in July 2023, the Group voluntarily prepaid the entire principal and interest balance of $54.5 million related to the USAVFlow Facility. This prompt prepayment served to cure the default and release all the associated collateral that can be used for a future financing. No other debt arrangements within the Group were affected by this non-compliance.

The Group´s debt facilities contain certain covenants limiting our ability to, among other things, make certain types of restricted payments, incur in 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, Lifemiles Ltd. a total net leverage ratio below 4.00:1.00, and Wamos Air S.A. a leverage ratio below 2.02:1.00 and a liquidity no less than €10 million. As of December 31, 2024 and 2023, except for the USAVFlow II Facility and the USAVFlow Facility, the Group complied with all financial and non-financial covenants associated with its debt contracts. Accordingly the associated debt facilities are classified as non-current because the Group has an existing right to defer settlement of them for at least 12 months after the reporting period.

The Group will continue to monitor all covenants to identify and anticipate any potential eventualities within 12 months after the reporting period.

Abra's Pledge of IV1L Shares

As of the date of these consolidated financial statements, Abra has pledged all of its ordinary shares of IV1L as collateral securing the obligations of Abra Global Finance ("AGF"), a wholly-owned subsidiary of Abra, pursuant to its senior secured notes due 2029, senior secured term loans maturing in 2029 and senior secured exchangeable notes due 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. 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 holders of the Abra Indebtedness were to enforce their respective security interests with respect to the pledged IV1L shares. 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 all of the outstanding Tranche A-1 Senior Notes or the Tranche A-2 Senior Notes, as applicable, at a purchase price equal to 101% of the principal amount plus accrued and unpaid interest to, but excluding, the date of purchase.

Debt collaterals

Certain Group obligations under short-term loans and long-term debt for $2,427,627 (December 31, 2023: $2,287,659) 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 and (ix) 78% of WAMOS Air S.A.'s shares, which are owned by WAV Air Holdings S.L. As of December 31, 2024, the Wamos credit facility was undrawn.

Long-term components:

1. **Notes**

Issuing entities	Instrument	Original currency	Total placed in original currency	Balance as of December 31, 2024	Balance as of December 31, 2023
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. Avianca, Aeroinversiones de Honduras S.A., Avianca, Airlease Holdings One Ltd., America Central Corp., America Central (Canada) 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 Group International Limited, Avianca Midco 1 Limited, Avianca, Inc., Avianca Ecuador S.A., Aviaservicios, S.A, Aviateca S.A., AVN Flight Cayman Limited, 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, S.A., 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.

2. Other debt long-term debt

The other long-term debt of the Group as of As of December 31, 2024 for $461,084 (As of December 31, 2023 $391,789) corresponds mainly to LifeMiles Term Loan B and credit card securitizations which are also subject to the covenants described above.

On November 26, 2024, Aerovías del Continente Americano S.A. (Avianca S.A.), acting through its branch domiciled in Florida, United States, 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. Aerovías del Continente Americano S.A., Avianca, Avianca Group International Limited, Avianca Costa Rica S.A., Aviateca S.A., Regional Express Américas S.A.S., Taca International S.A., Tampa Cargo S.A.S. and Technical & Training Services, S.A. de C.V. act as guarantors under this facility. As of the date of issuance of these financial statements, the Avianca Revolving Credit Facility remains undrawn.

On December 31, 2024, Wamos Air entered into a secured financing, pursuant to which the lenders made available commitments to advance term loans in the aggregate amount of $24.33 million and a delayed draw in the amount of $15.48 million. This financing has a maturity date that is five years after the initial disbursement. Investment Vehicle 1 Limited and certain of its subsidiaries serve as guarantors under this facility.

In March 2023, Abra Global Finance, a Cayman subsidiary of Abra, issued $960 million Abra senior secured notes due 2028 (the "Abra SSN") and $458 million in Abra senior secured exchangeable notes due 2028 (the "Abra SSEN"), including an Original Issue Discount ("OID") of 6.6% and 9.1% respectively.

Abra SSN Terms

Abra SSN shall bear interest at an interest rate as follows (i) 6.00% per annum and shall be payable entirely in cash semi-annually in arrears on each interest payment date and (ii) 5.50% per annum shall be payable per the terms dictated per the indenture. The notes shall mature on March 2, 2028.

Unless Abra elects to render interest payments on the defined interest payment date, interest shall automatically be capitalized, rounded up to the nearest dollar and added to the outstanding principal balance of Abra SSN on each interest payment date. Capitalized interest shall also accrue interest in accordance with the terms of the Abra SSN's indenture agreement. Notwithstanding the capitalization of interest payments, Abra shall pay the outstanding principal amount and all accrued and unpaid interest including all capitalized interest added and capitalized to the outstanding principal balance of the Abra SSN on the earliest of (i) the Abra SSN maturity date, (ii) any repurchase or redemption of the notes or a portion thereof pursuant to the terms of the indenture agreement, or as a result of an change of control offer to purchase, and (iii) the date of any acceleration of all principal of, and accrued and unpaid interest (including without limitation the Abra SSN capitalized interest) on the Abra SSN.

The effective interest rate of these notes is 13.67%.

These notes were, repaid, and extinguished in 2024.

Abra SSEN Terms

Abra SSEN shall bear interest at an interest rate of 5.00% per annum, from the issue date or from the most recent interest payment date, to, but excluding, the next scheduled interest payment date, until the maturity date of March 2, 2028.

Unless Abra elects to pay interest in cash on an interest payment date, interest shall automatically be capitalized, rounded up to the nearest dollar and added to the outstanding principal balance of Abra SSEN on each interest payment date. Capitalized interest as added to the principal balance shall also accrue interest in accordance with the terms of the Abra SSEN's indenture.

Notwithstanding the capitalization of interest payments, Abra shall pay the outstanding principal amount including all capitalized interest added and capitalized to the outstanding principal balance of Abra SSEN on each interest payment date and all accrued and unpaid interest including any interest accruing on such capitalized interest in cash on the earliest of (i) the Abra SSEN maturity date, (ii) any repurchase or redemption of the notes of Abra SSEN or a portion thereof pursuant to Abra SSEN's indenture agreement, (iii) the exchange date relating to such note of Abra SSEN or portion thereof, and (iv) the date of any acceleration of all principal of, and accrued and unpaid interest on Abra SSEN.

The effective interest rate of these notes is 7.48%.

In accordance with the Abra SSEN indenture, each holder of a Abra SSEN note shall have the right, to exchange all or any portion of an Abra SSEN's note at any time prior to its maturity date for one preference share (the

"conversion option"), with a paid-up value of $1,000, per $1,000 principal amount of notes, which preference share shall immediately be exchanged by the holder for ordinary shares at an initial exchange rate of 1,000 ordinary shares per $1,000 principal amount of preference shares, subject to the adjustments set forth Abra SSEN's indenture.

The embedded conversion option within the Abra SSEN requires bifurcation as a derivative liability and therefore to be recorded at fair value with subsequent changes in fair value affecting the statement of comprehensive (loss) income. The initial fair value of the bifurcated conversion option created a debt discount on the Notes amounting to $166,674 as of December 2023. For December 2024, the derivative liability amounts to $136,881.

On October 22, 2024, Abra Global Finance, executed the Third Supplemental Indenture in agreement with approximately 99.9% of the holders of the Senior Secured Notes (SSENs) to comprehensively resolve all existing defaults, including those related to the Chapter 11 filing of GOL and certain of its subsidiaries.

In connection with the Third Supplemental Indenture, Abra Global Finance, as an upfront fee, Issued an additional $72,670 aggregate principal amount of Senior Secured Exchangeable Notes due 2028 (the "New Additional Notes"), then cancelled $484,723 in aggregate principal amount of Initial Notes ("Cancelled Notes", the Initial Notes remaining outstanding after such cancellation, the "Remaining Notes") and issued $484,723 in aggregate principal amount of additional Senior Secured Exchangeable Notes due 2028, having terms identical to the New Additional Notes (the "Deemed Exchange Additional Notes" and, collectively with the New Additional Notes, the "Additional Notes"; the Additional Notes collectively with the Remaining Notes, the "Notes").

Prior to the effectiveness of the Third Supplemental Indenture, $514,230 in aggregate principal amount of the Senior Secured Exchangeable Notes due 2028 (the "Initial Notes") were outstanding.

As a result of the foregoing, the Cancelled Notes were accounted for as an extinguishment of debt and derecognized from the statement of financial position. Subsequently, the Group recognized the Exchange Additional Notes and New Additional Notes in the statement of financial position. Additionally, the Group recognized an amortization expense related to unamortized issuance fees of the Cancelled Notes totaling $1,274 along with an amortization expense related to the original issue discount of the Cancelled Notes amounting to $11,994 were recognized under finance costs. Regarding the Remaining Notes, the carrying amount did not change due to the modification. The interest, issuance fees, and OID will be amortized over the remaining term in accordance with the terms of the modified liability.

Forbearance Agreements

On 25 January 2024, at the time of GOL's Chapter 11 filing, Abra entered in a Forbearance Agreement with its noteholders (the "Forbearing Holders"), through which they agree to a limited forbearance regarding the exercise of all of its rights and remedies in respect of certain Specified Defaults under the Note Documents and under applicable law, rule or regulation, including, without limitation, (a) any right to accelerate any principal, premium or interest in respect of the Notes or any other Notes Obligations and (b) any right of set off and recoupment (during the period commencing on the GOL's Chapter 11 petition date and terminating upon the occurrence of a termination event). The indenture requires that at least 66,7% of each SSN and SSEN holders consent to in this agreement.

As consideration for the Limited Forbearance, Abra agreed to pay a 1% of the aggregate principal amount of the Notes in PIK, totaling $14,725 and a Ticking Fee at a per annum rate of 2.50%, accrued as part of the debt liability.

Abra SSN 2029 and Term Loan Terms

On October 22, 2024, a wholly owned subsidiary of the Group, Abra Global Finance (the "Issuer"), executed an Indenture to issue Senior Secured Notes due 2029 ("SSN 2029") for an aggregate principal amount of $510,000. On the same date, Abra Global Finance also entered into a Term Loan Agreement due 2029 ("Term Loan") for an aggregate principal amount of $740,000. Both the issuance of the SSN 2029 and the Term Loan included an original issue discount (OID) of 3.5% and were undertaken to refinance the SSN due 2028.The agreements also contain an Equity Top-up obligation, which allows creditors to receive common shares or cash under specific conditions. Due to this obligation, the agreements are classified as hybrid contracts. Accordingly, the Group has bifurcated the embedded derivative component from the host debt contract. This embedded derivative is accounted for as a separate derivative liability (see Note 21).

The contractual interest rate for both financial instruments is 14%, which consists of 6.0% cash interest and the remainder paid in payment-in-kind (PIK) interest. The cash interest paid will be the lesser of (i) the aggregate "Net Abra Cash Income," (ii) 6.0% per annum, or (iii) an amount that maintains a minimum unrestricted cash balance of $50 million for Abra. PIK interest will be paid as the remainder of the interest due. If the cash interest paid for any interest period is more or less than 6% per annum, the contractual interest rate for that period will be adjusted accordingly, but it will not exceed 16% per annum or fall below 13% per annum. Interest payments are made semi-annually. Both instruments mature on October 22, 2029. The terms regarding the capitalization of interest payments remained the same as for the original SSN.

Debt Collateral- ABRA

The Senior Secured Notes and Senior Secured Exchangeable Notes are collateralized by: Shares and equity interests of the Company in Abra Kingsland LLP and Abra MOBI LLP, that control GOL Linhas Aéreas Inteligentes S.A ("GLAI"), and in Investment Vehicle 1 Limited, that controls Avianca Group International Limited; the collateral held by the Company pursuant to the GOL Senior Secured Exchangeable Notes due 2028, such as Smiles Loyalty program intellectual property.

Notes

Issuing entities	Instrument	Original currency	Total placed in original currency	Balance as of December-24
Abra Global Finance	Senior Secured Exchangeable Notes	USD	$ 458,345	$ 458,253
Abra Global Finance	Senior Secured Notes 2029	USD	$ 510,000	$ 638,068
Abra Global Finance	Term-Loan 2029	USD	$ 740,000	$ 535,617

Issuers:	Abra Global Finance
Guarantor:	Abra Group Limited
Initial Issue Date:	March 2, 2023
Issue Amount:	Senior Secured Exchangeable Notes $458,345
Interest:	The Senior Secured Notes will bear an interest at an interest rate of 11.50%, in which 6.00% per annum shall be payable entirely in cash, and 5.50% shall be paid in PIK. The Senior Secured Exchangeable Notes will bear an interest at an interest rate of 5.00% per annum.
Maturity Date:	The Senior Secured Notes and Senior Secured Exchangeable Notes will mature on March 2, 2028.

Issuers:	Abra Global Finance
Guarantor:	Abra Group Limited
Initial Issue Date:	October 22, 2024
Issue Amount:	Senior Secured Notes 2029 $510,000 – Term Loan 2029 - $740,000 14% (the "Stated Rate") comprised of 6.0% cash interest and the remainder in PIK
Interest:	-Cash interest paid will be equal to the least of (i) aggregate "Net Abra Cash Income", (ii) 6.0% per annum and (iii) an amount that leaves Abra with a minimum unrestricted cash balance of $50m. -PIK interest shall be paid in an amount equal to the remainder of the interest due
Maturity Date:	The Senior Secured Notes 2029 and Term Loan 2029 will mature on October 22, 2029

Future payments on long-term debt

The following future payments including interests in long–term debt for the period ended December 31, 2024. All amounts are gross and undiscounted and include contractual interest payments while excluding the impact of netting agreements.

Corporate debt

December 31, 2024

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 274,462	$ 336,538	$ 68,465	$2,473,050	$ 1,890,643	**$ 5,043,158**
Interests	$ 281,129	$ 270,058	$ 248,707	$ 254,451	$ 91,209	**$ 1,145,554**

December 31, 2023

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 177,246	$ 72,115	$ 259,469	$ 27,960	$ 3,683,341	**$ 4,220,131**
Interests	$ 270,438	$ 255,985	$ 248,065	$ 231,134	$ 159,484	**$ 1,165,106**

Changes in liabilities derived from financing activities at December 31, 2024

	January 01, 2024	New Loans (1)	PDPs Refinancing (4)	Financial cost	Payments (3)	Interest Payments	Others (5)	Reclassifications	Transaction cost (2)	Amortization Derivative financial instruments	December 31, 2024
Current portion of long-term credits (excluding items listed below)	$ 206,817	$ 300,000	$ 48,436	$ 226,832	$ (207,561)	$ (216,037)	$ 259	$ (51,919)	$ (11,466)	$ —	$ 295,361
Non-current portion long-term debt	3,306,645	1,206,250	—	364,072	(1,163,231)	(45,081)	83,305	51,919	(69,468)	29,793	3,764,204
Total	**$ 3,513,462**	**$ 1,506,250**	**$ 48,436**	**$ 590,904**	**$ (1,370,792)**	**$ (261,118)**	**$ 83,564**	**$ —**	**$ (80,934)**	**$ 29,793**	**$ 4,059,565**

(1) On September 10, 2024, the Company raised up to $200,000 through a 5-year loan facility for Taca International Airlines S.A. and Aerovías del Continente Americano S.A. (Avianca S.A.). This facility is the successor to the USAVFlow facility, which was prepaid in July 2023. Additionally, LifeMiles. 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.Additionally, the group recognized $1,206,250 related to the Abra Notes.

(2) As part of the new loans, the companies incurred in transaction costs, according to the definition of IFRS 9.

(3) During 2024, The Group prepaid in full the Spare Engine Facility for $29,580, and Revolving Credit Facility for $100,000.

The difference between the total payments in this table and the total of those payments in the consolidated statement of cash flows corresponds to non-cash payments in Miles for $2,004.

(4) On December 26, 2024, Aerovías del Continente Americano Avianca S.A. entered into an unsecured pre-delivery financing agreement for ten A320 Neo aircraft, totaling $48,436, with a tenor of three years. Avianca Group International Limited acted as the guarantor for this facility.

(5) This amount corresponds to the principal as a result of debt extinguishment following the recognition of the debt.

Changes in liabilities derived from financing activities at December 31, 2023

	January 01, 2023	New Loans (1)	Financial cost	Payments (2)	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	220,625	(119,712)	(217,913)	(150)	238,358	206,818
Non-current portion long-term debt	2,306,831	1,168,713	118,093	(12,811)	(48,191)	381	(226,371)	3,306,645
Total	**$ 2,387,244**	**$ 1,180,213**	**$ 338,794**	**$ (138,826)**	**$ (266,180)**	**$ 231**	**$ 11,987**	**$ 3,513,463**

(1) Corresponds to a new loan, at a fixed rate of 13%, to enable the Group to complete a densification project for $11,500; $1,168,713 related to the Abra Notes as explained in the note above, that includes a cash portion of $550,029 and a non-cash portion of $618,684.

(2) The difference between these payments and the payments in the consolidated statement of cash flows corresponds to non-cash payments Miles for $2,003.

(21) Derivative financial instruments

	December 31, 2024	December 31, 2023
Top Up SSN 2029 (1)	$ 16,550	$ —
SSENs (2)	136,881	166,674
Total	**$ 153,431**	**$ 166,674**

(1) As part of the refinancing of the 2028 Senior Secured Notes, Abra Group Limited issued an Equity Top-up obligation on October 22, 2024, allowing creditors to receive common shares or cash under specific conditions.

Under IFRS 9, Management determined that the Equity Top-up qualifies as an embedded derivative, as its value fluctuates based on external factors, it does not require an initial investment, and it will be settled in the future. Consequently, it must be separated from the host contract and accounted for at fair value through profit and loss, with variation in financial expenses.

The Equity Top-up is recorded separately from the host liability and does not impact the effective interest rate calculation.

For the year ended December 2024, the Group recognized $16,550 related to the embedded derivative.

(2) The embedded conversion option within the Abra SSEN requires bifurcation as a derivative liability and therefore to be recorded at fair value with subsequent changes in fair value affecting the statement of comprehensive (loss) income. The initial fair value of the bifurcated conversion option created a debt discount on the Notes amounting to $166,674.

As of December 31, 2024, the derivative liability amounts to $136,881.

(22) Other liabilities

	December 31, 2024	December 31, 2023
Current	$ 67	$ 87
Non-current (1)	19,233	28,128

Non-current	**December 31, 2024**	**December 31, 2023**
Founder Warrants	$ 19,082	$ 28,040
Others	151	88
Total	**$ 19,233**	**$ 28,128**

Founder Warrants

On April 3, 2023, the Company issued warrants to purchase ordinary shares of the Company, for no consideration, to a Group of historical shareholders or strategic investors in the Company's legacy organization structure. These were issued to maintain those strategic relationships going forward. Management compares these Warrants akin to granting "founder shares" or "friends and family equity" in connection with the set-up of the Company.

The Company initially recognized a liability of $28,040 upon the issuance of the Founder Warrants. As of December 31, 2024, the fair value of this liability decreased to $19,082, resulting in a gain of $8,957 in the year ended December 31, 2024, recognized under change in fair value of financial instruments.

(23) Accounts Payable

	December 31, 2024	December 31, 2023
Currents		
Trade accounts payables	$ 409,593	$ 253,906
Non-income taxes (1)	332,720	296,092
Social Charges	—	864
Other accounts payable (2)	17,842	12,278
Subtotal	**$ 760,155**	**$ 563,140**
Non Currents		
Other accounts payable (2)	$ 3,745	$ —
Total	**$ 763,900**	**$ 563,140**

(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 withholding.

(2) Other accounts payable primarily comprise amounts related to engine purchases, aircraft-related projects, travel expenses and the contingent consideration liability disclosed in Note 6. The non-current portion relates solely to the contingent consideration liability that is expected to be settled in 2026.

(24) 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, 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:

	December 31, 2024	December 31, 2023
Defined benefit plan	$ 70,364	$ 78,081
Other benefits - short term	101,332	118,879
Other benefits - long term	17,613	9,980
Total	**$ 189,309**	**$ 206,940**
Current	119,311	135,749
Non-current	69,998	71,191
Total	**$ 189,309**	**$ 206,940**

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. As a result the Group's obligation was recognized and regulated by Law 860 of 2003, Decree 2210 of 2004 and Decree 1269 of 2009.

The CAXDAC pension situation as of December 31, 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. The approval was granted on December 31, 2023 by Superintendencia de Transporte.

On January 26, 2024, the effects of the settlement were formalized. 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, in such a way Avianca S.A. was released from this obligation to CAXDAC from that date.

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.

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.

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, 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 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 31, 2024, 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:

	December 31, 2024	December 31, 2023
Fair value of plan assets	$ —	$ 272,727
Present value of the obligation	—	(272,727)
Total assets for employee benefits (1)	**$ —**	**$ —**

	December 31, 2024	December 31, 2023
Fair value of plan assets	$ 244	$ 7,575
Present value of the obligation	(70,608)	(85,656)
Total liabilities for employee benefits	**$ (70,364)**	**$ (78,081)**

(1) As of December 31, 2024 actuarial obligation and the fair value of the plan assets of CAXDAC (Caja de Auxilios y de Prestaciones de ACDAC) were integrated.

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.

The fair value of the assets of the plan, for Avianca S.A. component, correspond to net funds transferred to CAXDAC, which is responsible for managing the pilots' pension plan.

Changes in 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, 2024 in wages, salaries and benefits)	**CAXDAC Benefit plan**	**Defined benefit plan**	**Other benefits**
Current cost of the service	$ —	$ 2,844	$ 1,812
Cost of interest on obligations for benefits, net	454	1,914	4,286
Subtotal	**454**	**4,758**	**6,098**
Asset plan interest income	(448)	(23)	—
Net benefit expense	**$ 6**	**$ 4,735**	**$ 6,098**

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
Subtotal	**14,225**	**2,593**	**4,035**
Asset plan interest income	(14,614)	(22)	—
Net benefit expense	**$ (389)**	**$ 2,571**	**$ 4,035**

Changes in the present value of defined benefit obligation as of December 31, 2024, are as follows:

	CAXDAC Tampa Benefit plan	**Defined benefit obligations**	**Other benefits**	**Total**
Benefit obligations as of December 31 2023	**$ 7,633**	**$ 29,661**	**$ 48,362**	**$ 85,656**
Cost of interest and cost of service	454	4,758	6,098	11,310
Employer-paid benefits	(158)	(4,554)	(7,176)	(11,888)
Actuarial losses arising from changes in financial assumptions	5	1,511	625	2,141
Gains arising from the liquidation of the plan	(296)	—	—	(296)
Translation Adjustment	(1,018)	(1,401)	(7,276)	(9,695)
Integration with asset plan	(6,620)	—	—	(6,620)
Benefit obligations as of December 31, 2024	**$ —**	**$ 29,975**	**$ 40,633**	**$ 70,608**
Plan assets	—	(244)	—	(244)
Total employee benefits	**$ —**	**$ 29,731**	**$ 40,633**	**$ 70,364**
Liabilities:				
Current	$ —	$ 13,793	$ 4,186	$ 17,979
Non-current	—	15,938	36,447	52,385
Total	**$ —**	**$ 29,731**	**$ 40,633**	**$ 70,364**

Changes in the present value of defined benefit obligation as of December 31, 2023, are as follows:

	CAXDAC 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)
Actuarial losses arising from changes in financial assumptions	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**
Liabilities:				
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 obligation and plan assets of Avianca CAXDAC as of December 31, 2024, and 2023 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**
Fair value of plan assets	(272,797)
Total employee benefits, net	**$ —**

Changes in the fair value of plan assets are as follows:

	Defined benefit plan
Fair Value of plan assets as December 31, 2023	**$ 280,372**
Interest income on plan assets	471
Return on plan assets higher than projected	328
Employee contributions	371
Benefits paid	(196)
Translation adjustment	(1,685)
Integration with obligation Tampa CAXDAC	(279,417)
Fair Value of plan assets as December 31, 2024	**$ 244**

	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 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**

Other comprehensive income change

For the year ended December 31, 2024, actuarial losses of $(2,469) (December 31, 2023: $(80,250), were recognized in other comprehensive income:

	December, 2024	December, 2023
Losses recognized in other comprehensive income	$ (2,141)	$ (99,740)
Adjustment in return on plan assets	(328)	19,490
Losses recognized in other comprehensive income	**$ (2,469)**	**$ (80,250)**

As a result of the CAXDAC pension plan integration aforementioned above, during the year ended December 31, 2024, the reserve related to the actuarial gains and losses was transfer within equity for $86,943 under the scope of IAS 19.

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, 2024	December 31, 2023
Discount rate	N/A	7.12%
Price inflation long-term	N/A	4.00%

Other plans

	December 31, 2024	December 31, 2023
Discount rate	10.83%	10.03%
Others Colombia	10.95%	10.30%
Other pension plans	10.70%	9.75%
Price inflation long-term	4.88%	4.00%

The average duration of the benefit plan obligation as of December 31, 2024, is 9,37 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:

	December 31, 2024		December 31, 2023	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Discount rate	$ (2,205)	$ 2,392	$ (2,661)	$ 2,915
Salary increases rate	1,040	(949)	1,114	(1,065)
Mortality rate	21	(21)	4	(4)
Health care cost	1,264	(1,146)	1,772	(1,548)

(25) Air traffic liability and frequent flyer deferred revenue

	December 31, 2024	December 31, 2023
Air traffic liability (1)	$ 576,061	$ 656,290
Deferred revenue	20,322	—
Subtotal	**596,383**	**656,290**
Miles deferred revenue (2)	186,822	164,540
Current	**$ 783,205**	**$ 820,830**
Miles deferred revenue	246,081	271,964
Non–current	**$ 246,081**	**$ 271,964**

(1) For the year ended December 31, 2024, the Group recognized $346,897 (December 31, 2023 $279,738) of passenger revenue for tickets that were included in the air traffic liability balance at the beginning of those periods. During the year 2024 the Group recognized a total revenue of $114,017 related to breakage UATP (Universal Air Travel Plan, a global corporate air travel payment network).

(2) For the year ended December 31, 2024, the Group recognized $150,668 (December 31, 2023: $146,311) as part of Loyalty Revenue, that were included in the Frequent Flyer deferred revenue at the beginning of those periods.

(26) Equity and Other Comprehensive Income ("OCI") Reserves

	December 31, 2024	December 31, 2023
Common shares issued and paid	2,487,009,605	2,262,971,985

The nominal value per share is $0.000001. The total cost of the equity is $2, reflecting the total number of shares issued.

Common shares

Holders of these shares are entitled to dividends as declared from time to time.

Ordinary shares deferred subscription arrangements

On February 28, 2023, the Company and certain other parties entered into the Amended and Restated Master Contribution Agreement (the "MCA") pursuant to which the IV1L Contributing Parties agreed to contribute to the Company all their shares in Investment Vehicle 1 Limited ("Super Holdco") in exchange for ordinary shares in the Company (the "MCA Transaction"). On March 2, 2023, certain shareholders of Super Holdco who were party to the MCA exercised the "drag-along" provision contained in the Super Holdco Investment Agreement, requiring Super Holdco dragged persons (which included United Airlines Inc) to participate in the MCA Transaction (the "MCA Drag-Along").

In connection with the MCA Drag-Along, but also as a result of parallel negotiations directly between United and Avianca Group International LTD (a legal subsidiary of the Company), the Company entered into agreements with United that included arrangements to defer United's receipt of ordinary shares in the Company in order to allow time for certain antitrust matters to be addressed. Under those arrangements, United will receive ordinary shares upon receipt of any required antitrust approvals. The Company's legal counsel confirm

that these deferred subscription arrangements between the Company and United do not impose a performance obligation on either party.

These deferred subscription arrangements are considered a freestanding financial instrument (unattached to any host contract) that does not meet the definition of a derivative and may only result in the issue of a fixed number of shares at a fixed price; as a result, they are accounted for as an equity instrument. The fair value that was recognized in equity upon entry into the arrangements was $216,839.

Formation and shares issuance costs

Equity issuance costs encompass a range of expenditures associated with the issuance of the Company's equity instruments. These costs include but are not limited to registration and regulatory fees, payments to legal, accounting, and other professional advisers, printing costs, and stamp duties. Costs associated with the issuance of the Company's equity instruments totaling $15,362 are being treated as a reduction from equity for the year ended as of December 31, 2023.

Other Comprehensive Income ("OCI") Reserves

The movement of other comprehensive income from December 31, 2024, is as follows:

	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	**$ (190,830)**	**$ (16,282)**	**$ (102)**	**$ 1,265**	**$ (4,388)**	**$ (210,337)**	**$ (870)**	**$ (211,207)**
Other results comprehensive (loss)	(18,200)	(78,910)	(336)	14,693	4,590	(78,163)	(1,340)	(79,503)
As of December 31, 2023	**$ (209,030)**	**$ (95,192)**	**$ (438)**	**$ 15,958**	**$ 202**	**$ (288,500)**	**$ (2,210)**	**$ (290,710)**
Other results comprehensive (loss)	402	(2,581)	(789)	(3,261)	(6,463)	(12,692)	112	(12,580)
Reclassification of the net defined benefit (Note 24)	—	86,942	—	—	—	86,942	—	86,942
As of December 31, 2024	**$ (208,628)**	**$ (10,831)**	**$ (1,227)**	**$ 12,698**	**$ (6,261)**	**$ (214,249)**	**$ (2,098)**	**$ (216,347)**

(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 and 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 statements 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, 2024	December 31, 2023
Fair value reserves:		
Equity investments at FVOCI - net change in fair value	$ —	$ (19,000)
Valuations of investments in fair value with changes in OCI	402	800
	$ 402	**$ (18,200)**

(27) Derivative Instruments

The Group procures jet fuel to support its operations. Jet fuel pricing is primarily influenced by two components:

- WTI (West Texas Intermediate): A benchmark crude oil price in global markets.
- Crack Spread: The difference between the price of jet fuel and WTI, reflecting refining costs and margins.

Accordingly, the Group is exposed to volatility of WTI prices and Crack Spreads.
To mitigate these risks, the Group implemented targeted hedging strategies in 2024:

- In quarter 3 of 2024, the Group hedged Crack Spread exposure to potential supply-chain disruptions during hurricane season, which can affect refining operations and fuel distribution.
- In quarter 4 of 2024, the Group hedged WTI crude price exposure to geopolitical tensions in the Middle East.

All derivatives are designated as hedging instruments.

Hedging Instruments and Effectiveness
The Group uses:

- Swaps to hedge Crack Spread risk.
- Asian call options to hedge WTI price risk.

As of December 31, 2024 (2023: jet fuel and WTI options), certain Crack Spread swaps and WTI call options were designated as cash flow hedges. The quantity and maturity of swaps and call options 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 based on the critical term match (notional quantity, maturity and underlying asset).

The Group performs a qualitative assessment of effectiveness, given that the price of jet fuel and the Crack Spread, which serves as an input cost, are both separately identifiable items with known market structures (the price is driven by market dynamics). Considering that these critical terms match, it is assumed that there is 100% hedge effectiveness and that a hedge ineffectiveness scenario does not exist. The Group has established a hedge ratio of 1:1 or 100% for hedging relationships given that the underlying risk of the Crack Spread swaps and WTI call options is identical to the hedged risk components.

The primary source of hedge ineffectiveness in these hedging 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 such economic relationship. The agreement guaranteeing performance from both parties is the

ISDA (International Swaps and Derivatives Association) and its annexes. The ISDA establishes all parameters necessary to mitigate potential risks, ensuring both parties have financial support in the event of fluctuations in favor of or against the market. The Credit Support Annex to the Master Agreement (ISDA) ensures that both parties maintain an adequate amount of collateral to cover market exposures. This annex guarantees both parties' protection and contractual compliance in the event of significant market value variations, thereby reducing non-performance risk.

Hedging Coverage and Notional Volumes

For the year ended December 31, 2024, total notional volumes designated as hedging instruments were:

- 102.000.000 gallons of crack spread swaps
- 1.761.953 barrels of WTI call options

In 2023: 71.612.265 gallons of jet fuel and 730,398 barrels of WTI

Hedging coverage details:

- Crack Spread:
  - Approximately 28% of July 2024 fuel consumption (12 million gallons)
  - Approximately 75% of August–October 2024 consumption (30 million gallons per month)
  - Average strike price: $25.40
- WTI:
  - Approximately 99% of October 2024 fuel needs (857,191 barrels)
  - Approximately 98% of November 2024 fuel needs (904,762 barrels)
  - Average strike price: $107.50

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 14). As of December 31, 2024 and 2023 the balance of hedging instruments is nil.

December 31, 2024

Strike price per gallon or barrels	Quantity (gallons, barrels)	Hedged Item	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 December 31, 2024
$ 26.87	48,000,000	Crack spread	—	11,939	11,939	(11,939)	Aircraft fuel	—
$ 24.93	24,000,000	Crack spread	—	5,718	5,718	(5,718)	Aircraft fuel	—
$ 23.90	30,000,000	Crack spread	—	6,412	6,412	(6,412)	Aircraft fuel	—
	102,000,000		**—**	**24,069**	**24,069**	**(24,069)**		**—**
$ 110	1,380,953	WTI	—	407	407	(407)	Aircraft fuel	—
$ 100	381,000	WTI	—	50	50	(50)	Aircraft fuel	—
	1,761,953		—	457	457	(457)		—
			—	**24,526**	**24,526**	**(24,526)**		**—**

December 31, 2023

Strike price per gallon or barrels	Quantity (gallons, barrels)	Hedged Item	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 December 31, 2023
3.25	71,612,265	Crack spread	—	3,304	3,304	(3,304)	Aircraft fuel	—
	71,612,265		**—**	**3,304**	**3,304**	**(3,304)**		**—**
100	730,398	WTI	—	775	775	(775)	Aircraft fuel	—
	730,398		**—**	**775**	**775**	**(775)**		**—**
			—	**4,079**	**4,079**	**(4,079)**		**—**

The following tables provides a reconciliation by risk category of components of equity and analysis of OCI items, resulting from cash flow hedge accounting:

	December, 2024	December, 2023
Crack spread risk	24,070	—
WTI risk	456	775
Jet fuel risk	—	3,304
Crack spread risk	(24,070)	—
WTI risk	(456)	(775)
Jet fuel risk	—	(3,304)
	$ —	$ —

(28) 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:

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as of December 31, 2024:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value				
Assets of the benefits plan (note 24)	—	244	—	244
Assets held for sale (note 15)	—	3,556	—	3,556
Convertible Loan agreement (note 19)	—	—	89,881	89,881
Short-term investments	—	52,184	—	52,184
Revalued administrative property (note 16)	—	—	106,035	106,035
Liabilities measured at amortized cost				
Short–term borrowings and long–term debt	—	4,229,572	—	4,229,572
Liabilities measured at fair value				
Contingent consideration liability	—	—	8,939	8,939
Derivate financial instruments (note 21)	—	—	136,881	136,881
Warrants (note 22)	—	—	19,082	19,082

During 2024, the Group's Level 3 fair value measurements related solely to financial liabilities, including contingent consideration, derivative financial liabilities, and warrants. These instruments are valued using techniques that incorporate significant unobservable inputs. A reconciliation of changes in these Level 3 liability balances for the year is presented below:

	Contingent consideration liability	Derivative financial instruments	Warrants
Opening balance at January 1, 2024	—	166,674	28,040
Initial recognition October 15, 2024	9,550	—	—
Effect of foreign exchange	(611)	—	—
Gains recognized in profit or loss	—	(29,793)	(8,958)
Closing balance at December 31, 2024	**8,939**	**136,881**	**19,082**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as of December 31, 2023:

Quantitative disclosures of fair value measurement hierarchy for assets:

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value				
Assets of the benefits plan (note 24)	—	280,372	—	280,372
Assets held for sale (note 15)	—	10,743	—	10,743
Convertible Loan agreement (note 19)	—	—	104,889	104,889
Short- term investments	—	50,970	—	50,970
Revalued administrative property (note 16)	—	—	111,949	111,949
Liabilities measured at amortized cost				
Short–term borrowings and long–term debt	—	3,242,478	—	3,242,478
Liabilities measured at fair value				
Derivate financial instruments (note 21)	—	—	166,674	166,674
Warrants (note 22)	—	—	28,040	28,040

During 2023, the Group's Level 3 fair value measurements related solely to financial liabilities, derivative financial liabilities, and warrants. These instruments are valued using techniques that incorporate significant unobservable inputs. A reconciliation of changes in these Level 3 liability balances for the year is presented below:

	Derivative financial instruments	Warrants
Opening balance at January 1, 2023	—	—
Initial recognition	166,674	28,040
Closing balance at December 31, 2023	**166,674**	**28,040**

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 consolidated 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 technique 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.
La Uruca, Costa Rica	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.

Investments in equity instruments

Valuation technique
Public company method: this method employs market multiples derived from market prices of stocks of companies that are engaged in the same or similar lines of business and that are actively traded on a free and open market. The application of the selected multiples to the corresponding measure of financial performance for the subject company produces estimates of value at the marketable-minority level.

Convertible loan agreement

Valuation technique
The secured convertible loan to SKY Airlines S.A. was recorded at a weighted fair value, based on an analysis of various scenarios with their respective probabilities of occurrence. This analysis was conducted by considering discounted cash flows, credit risk profile, and relevant market conditions as of the valuation date.

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 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

Contingent consideration liability

Valuation technique
The contingent consideration was recognized at its estimated fair value using a Monte Carlo simulation model. The valuation was based on 10,000 possible scenarios, with the average outcome discounted using a risk-free interest rate

(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 December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average) in % and USD	Relationship of inputs to fair value
Convertible loan agreement	$ 89,881	Market approach	Discount rate	45%	The higher the discount rate, the lower the fair value
Contingent consideration liability	8,939	Market approach	Discount rate	11.1%	The higher the discount rate, the lower the fair value
Revalued administrative property	$ 106,035	Market approach	Monthly rental value per square meter (El Salvador)	$ 21	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (El Salvador)	$ 615	The higher the square vara price, the higher the fair value
			Monthly rental value per square meter (Colombia)	$ 16.14	The higher the monthly rental value per square meter, the higher the fair value
			Square meter price (Colombia)	$ 2,472	The higher the Square meter price, the higher the fair value
			Square meter price (Costa Rica)	$ 42,370	The higher the Square meter price, the higher the fair value
			Monthly rental value per square meter (Costa Rica)	$ 8.57	The higher the monthly rental value per square meter, the higher the fair value
			Depreciation of Colombian peso against US Dollar	(15.40)%	The higher depreciation 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) in % and USD	Relationship of inputs to fair value
Convertible loan agreement	$ 104,889	Market approach	Discount rate	21%	The higher the discount rate, the lower the fair value
Revalued administrative property	$ 111,949	Market approach	Monthly rental value per square meter (El Salvador)	$ 20	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (El Salvador)	$ 585	The higher the square vara price, the higher the fair value
			Monthly rental value per square meter (Colombia)	$ 16	The higher the monthly rental value per square meter, the higher the fair value
			Square meter price (Colombia)	$ 2,666	The higher the Square meter price, the higher the fair value
			Appreciation of Colombian peso against US Dollar	21%	The higher the appreciation of Colombian peso against US Dollar, the higher the fair value

Convertible loan agreement

Valuation technique	Significant unobservable entries
The fair value of the embedded conversion option within the Abra SSEN has been measured using the Black-Scholes option pricing model.	Risk free rate 4.3% - Volatility 50%
The fair value of the Founder Warrants has been measured using the Black-Scholes option pricing model	Risk free rate 3.29% - Volatility 35.7%

Equity-settled share-based payments

Valuation technique	Significant unobservable entries
The fair value of the Founder Warrants has been measured using the Black-Scholes option pricing model	Risk free rate 3.29% - Volatility 35.7%
The fair value of the employee Non-Qualified Share Option has been measured using the Black-Scholes option pricing model. The fair value has been measured using a market approach: guideline public company method with a weight of 75% and an income approach: discounted cash flow method with a weight of 25%.	The detail of significant unobservable entries was described in note 31.

(29) Income tax expense and other taxes

	December 31, 2024	December 31, 2023
Current income tax – assets	$ 160,333	$ 133,676
Other current taxes		
Current VAT – assets	65,243	48,410
Other current taxes	29,219	21,653
Total other current taxes	94,462	70,063
Total current taxes – assets	**254,795**	**203,739**
Current income tax – liabilities	(28,101)	(25,523)
Others	(11,531)	(11,519)
Total Current income tax – liabilities	**$ (39,632)**	**$ (37,042)**

Components of income tax expense

Income tax expense for the periods presented is comprised of the following:

Consolidated statement of comprehensive income

	December 31, 2024	December 31, 2023
Current income tax:		
Current income tax charge	$ (31,518)	$ (37,863)
	$ (31,518)	**$ (37,863)**
Deferred tax expense:		
Relating to origination and reversal of temporary differences	1,589	30,919
Income tax expense reported in the statements of Comprehensive Income (loss)	**$ (29,929)**	**$ (6,944)**

Amounts recognized in OCI

	December 31, 2024	December 31, 2023
Items that will not be reclassified to profit or loss:		
Revaluation of property, plant and equipment	$ 5	$ (602)
Remeasurements of defined benefit liability (asset)	(794)	266
Income tax recorded directly in the Statements of Comprehensive Income (loss)	**$ (789)**	**$ (336)**

Amounts recognized in equity

There are no amounts relating to current and deferred taxes recognized directly in equity.

Reconciliation of the tax effective rate

		December 31, 2024		December 31, 2023
Net loss		$ (75,133)		$ (687,212)
Income tax expense		29,929		6,944
Loss before tax		**$ (45,204)**		**$ (680,268)**
Tax using the company´s domestic tax rate	33.0 %	(14,917)	33.0 %	(224,489)
Permanent differences	(123.2) %	55,713	0.9 %	(6,437)
Losses in non-taxable jurisdictions (a)	(135.5) %	61,247	(18.4) %	125,073
Current year losses for which no deferred tax assets have been recognized (b)	241.5 %	(109,157)	(5.9) %	39,873
Others (c)	(81.9) %	37,043	(10.7) %	72,924
	(66.2)%	**$ 29,929**	**(1.0)%**	**$ 6,944**

(a) For some of the Group's entities, the result is an operating gain or loss not considered due to local tax regulations.

(b) Corresponds to Group´s entities tax losses for which it is not probable that future taxable profit will be available against which the temporary difference will be utilized and therefore a deferred tax asset has not been recognized. For 2024, the effective tax reconciliation results in a reduction of the unrecognized deferred tax for the current year.

(c) Refers mainly to the difference between functional currency and presentation currency effect of the non-monetary assets.

Change in deferred tax balances

	December 31, 2024	December 31, 2023
Accounts payable	$ (10)	$ 480
Aircraft maintenance	27,775	(1,444)
Provisions	29,347	42,678
Tax losses carry forward	39,392	18,683
Property and equipment, including rights of use	(67,727)	34,820
Intangible assets	(133,378)	(131,192)
Non-monetary items	(15,125)	631
Other	29,944	(63,956)
Net deferred tax assets / (liabilities)	**$ (89,782)**	**$ (99,300)**

The breakdown of deferred tax assets and liabilities as of December 31, 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
Deferred tax assets	$ 56,557	$ 36,745
Deferred tax liabilities	(146,339)	(136,045)
Net deferred tax assets / (liabilities)	**$ (89,782)**	**$ (99,300)**

Reconciliation of deferred tax liabilities, net

	December 31, 2024	December 31, 2023
Beginning balance	**$ (99,300)**	**$ (130,922)**
Recognized in profit and loss	1,589	30,919
Recognized in other comprehensive income	(789)	(336)
Conversion effect and others	8,718	1,039
Final balance	**$ (89,782)**	**$ (99,300)**

Unrecognized deferred tax liabilities and assets

There are temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized. The Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that they will not reverse in the foreseeable future.

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, 2024		December 31, 2023	
	Gross amount	Deferred tax asset unrecognized	Gross amount	Deferred tax asset unrecognized
Deductible temporary differences	$ 810,226	$ 232,142	$ 659,873	$ 192,188
Tax losses	567,130	176,876	916,018	299,134
Total	**$ 1,377,356**	**$ 409,018**	**$ 1,575,891**	**$ 491,322**

Tax losses carried forward

Tax losses unrecognized were incurred mainly by the subsidiaries in Colombia and the United Kingdom. Currently, tax losses in Colombia expire in 12 years (except for Avianca which has a special tax situation in which tax losses do not expire, since the Company signed a legal stability agreement with the local tax authority), and the UK does not have an expiration period.

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	25%
El Salvador	30%
Guatemala	25%
Honduras	25%
México	30%
Nicaragua	30%
Panamá	25%
United States	21%
Cayman Islands	—%

Uncertainty over income tax treatments

The Management of 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 however, the Group is involved in the following litigation as of December 31, 2024.

Avianca Costa Rica's Branch in Guatemala has an income tax proceeding pending with respect to the 2012 tax year, in which the Guatemalan tax authority has challenged the expense allocation made by its Head Office. The

authority claims that the Branch made payments for services rendered in Guatemala without applying the required withholding tax. The amount in dispute is approximately $9.7 million. The dispute is currently awaiting a decision of the Supreme Court. Other legal actions have been filed, including requests for clarification and expansion, a constitutional challenge and an amicus curiae brief are also pending. The case is considered likely to fail. By the end of 2024, the contingency had been partially provisioned and for the amount of $3.8 million.

Aviateca S.A., has an income tax proceeding pending in Guatemala as well with respect to the 2018 tax year, in which the Guatemala authority has challenged certain expenses (flight fees, leasing of aircraft and maintenance) paid to providers abroad. The amount in dispute is approximately $5.3 million. The dispute is currently awaiting a decision of the court of first instance.

As of December 31, 2024, we had recorded a reserve for these Guatemala tax proceedings of $4.4 million. This reserve is based on our estimates to cover possible outflows for potential losses that we could suffer because of these matters.

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.

As of December 31, 2024, we had recorded a reserve for these Ecuador tax proceedings of $14 million. This reserve is based on our estimates to cover possible outflows for potential losses that we could suffer because of these matters.

Global minimum top-up tax

On October 8, 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 ABRA Group Limited, a company domiciled in the United Kingdom. The UK enacted legislation to implement the global minimum top-up tax as of January 2024, and the UPE will be responsible for filing the return for the fiscal year 2024.

During 2024, the Group conducted an analysis of the potential applicability of the Pillar Two Global Anti-Base Erosion model rules (GloBE Rules) and as a result of such analysis no top-up tax was determined.

The analysis encompassed all complementary taxes of GloBE Rules collected by the tax authorities, which typically constitute income taxes falling under the scope of IAS 12 and GloBE Guidelines.

(30) Provisions for legal claims

Changes in litigation provisions during the year ended December 31, 2024, are as follows:

	December 31, 2024	December 31, 2023
Balances at the beginning of the period	$ 37,502	$ 48,240
Provisions constituted	11,836	13,670
Provisions reverse	(11,058)	(7,996)
Reclassifications to liabilities	(5,041)	—
Lawsuits deposits	—	(8,828)
Provisions used	(3,401)	(7,584)
Acquisition of subsidiary	3,983	—
Balances at the end of the period	**$ 33,821**	**$ 37,502**

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, 2024, these contingencies totaled $137,549 (December 31, 2023: $149,414).

	December 31, 2024	December 31, 2023
Labor	$ 69,500	$ 98,569
Taxes	43,717	18,644
Administrative	8,218	10,486
Consumer protection	2,223	7,600
Civil	6,703	6,778
Direct Claims	4,875	5,769
Others	2,313	1,568
Total	**$ 137,549**	**$ 149,414**

Certain losses that could arise from these 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 $11,796 as of December 31, 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 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 external counsel as well as a specialized forensic investigatory firm to determine whether this practice may have violated the FCPA or other potentially applicable anti-corruption laws. Based in Avianca´s internal investigation. Avianca improved its policies and implemented additional controls, including 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 search 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 inquiry described above has not resulted in the opening of a formal investigation against Avianca. Moreover, Avianca is 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 Avianca has been formally 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 a then Avianca "senior executive" in 2014 for an irregular commission payment, which, in Avianca´s understanding, 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. No employee or manager related to Avianca has been formally linked to any investigations conducted by the Colombian authorities.

Avianca has presented itself as an injured party to the Office of the Attorney General of Colombia. Formal recognition as an injured party would occur at the indictment if one is held.

(31) Share-based payment

a) Share-based payment IVL1

Our Management Incentive Plan (the "MIP") consists of two Awards: (i) Non-Qualified Share Options ("NSO") and (ii) Restricted Share Units ("RSU"). Under the MIP, the Company may grant NSOs and RSUs to key Management personnel and Board members. The exercise price of the NSOs shall not be less than 100% of the Fair Market Value of the ordinary shares on the grant date. Certain key Management personnel and Board members received awards which were classified as equity-settled. During 2024, the Company recognized $24,276 as compensation expense associated with the MIP in our consolidated statements of comprehensive income (loss) (December 31, 2023: $84,419). The vesting of equity awards during 2023 relates to work done during the restructuring process and in 2021, 2022 and 2023.

ii) NSO

As of December 31, 2024 there are a total of 1,851,905 NSOs outstanding, of which 1,722,308 are fully vested and 129,597 remain unvested. The NSOs vest and become non-forfeitable per the vesting schedule set outlined in the applicable award agreements, subject to the participant's continuous service or employment with the Company of its affiliates from the grant date through the applicable vesting date. A vested NSO may be exercised with the maximum term of 10 years from the grant date.

ii) RSU

As of December 31, 2024 there are a total of 2,403,432 RSUs outstanding, of which 2,294,794 RSUs are fully vested and 108,638 remain unvested. Each RSU represents the right to receive one ordinary share of IV1L subject to the terms and conditions in the MIP. The RSUs vest and become non-forfeitable per the vesting schedule outlined in the applicable award agreements, subject to the participant's continuous service or employment with the Company or its affiliates from the grant date through the applicable vesting date. The RSUs vest in installments of up to three years.

Measurement of fair values

The fair value of the NSOs was measured as of the grant date using a Black-Scholes option pricing model. The fair value of the total enterprise value was measured as of the grant date using a market approach: guideline public company method with a weight of 75%; and an income approach: discounted cash flow method with a weight of 25%. Adjustments were made for cash, non-operating assets (liabilities), debt, and options, to arrive at the indicated value of RSU.

The inputs used in the measurement of the fair value at grant date and measurement date were as follows:

	NSO	RSU
Value per ordinary shares	$ 31.71	$ 31.71
Value per ordinary shares adjusted for expected dividends	$ 31.71	$ 31.71
Exercise Price per Share	$ 31.15	N/A
Years to Expiration Date	6	6
Volatility	70 %	70 %
Zero-coupon Risk-Free Rate	4 %	4 %

Expected Dividend Yield	— %	— %
Value per Option	$ 20.86	N/A
Number of Outstanding	1,851,905	2,403,432

The expected life of the share options considers the remaining time until expiration of the options and the vesting schedule and is not necessarily indicative of exercise patterns that may occur. IV1L's equity volatility for a term corresponding to the expected life for each grant, is estimated as the historical equity volatility for each term, averaged over the selected industry guideline companies. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Reconciliation of outstanding share options

	NSO		RSU	
	Number (in thousands)	**Weighted average exercise price per unit**	**Number (in thousands)**	**Weighted average exercise price per unit**
Outstanding at the beginning of the year	—	20.86	—	31.71
Granted	1,852	20.86	2,404	31.71
Forfeited	—	20.86	—	31.71
Exercised	—	20.86	—	31.71
Expired	—	20.86	—	31.71
Outstanding at the end of the year	1,852	20.86	2,404	31.71
Exercisable at the end of the period	1,722	20.86	2,295	31.71

b) Share-based payment -ABRA

Certain executives received share-based compensation from the Company through a Management Incentive Plan, which are equity-settled.

The Plan consists of three Awards (i) Options granted as an Incentive Stock Option or as a Nonqualified Share Option, at the discretion of the Human Resources and Compensation Committee of the Board (the "Committee"); (ii) Restricted Share Awards and (iii) Restricted Share Units Awards.

i) Incentive Stock Option and Non-qualified Share Option: The Committee may grant Share Options to eligible individuals, designating them as either Incentive Stock Options or Nonqualified Share Options, ensuring compliance with tax regulations.

The exercise price per share must be at least the Fair Market Value on the Grant Date, with the Committee having discretion to set it higher. The Committee determines when Share Options become vested or exercisable based on various factors such as continued service or performance goals, potentially accelerated by a Qualified Liquidity Event. Vested Share Options can be exercised within a period specified by the Committee, up to a maximum of 10 years from the Grant Date. Vested Share

Options can be exercised, subject to compliance with applicable tax regulations. Payment methods include cash, Common Shares, or other approved methods. Eligibility, annual limits, termination of employment provisions, non-transferability, and reporting requirements for disqualifying dispositions are outlined to ensure compliance with tax regulations

ii) Restricted Share Awards: The Committee may grant Restricted Share Awards to eligible individuals, possibly requiring payment of a purchase price by the participant. Dividends and distributions may be paid to participants according to the terms set in the Award Agreement. Restrictions on shares granted under a Restricted Share Award will lapse based on vesting requirements specified in the Award Agreement, which may include continued service or performance goals. Vesting may be accelerated by a Qualified Liquidity Event, and failure to meet vesting requirements results in forfeiture of the award. Participants benefit from all rights attached to the Common Shares issued under the Restricted Share Award, including voting rights and receipt of dividends and distributions, subject to the restrictions outlined in the Company's articles of association.

iii) Restricted Share Units Awards: The Committee may grant Restricted Share Unit Awards to eligible individuals, possibly requiring payment of a purchase price by the participant. These awards may be settled in Common Shares, cash equivalent, a combination of both, or other forms of consideration as determined by the Committee and specified in the Award Agreement. If settled in Common Shares, participants must adhere to certain shareholder agreement terms. Restrictions on shares granted under a Restricted Share Unit Award will lapse based on vesting requirements specified in the Award Agreement, which may include continued service, performance goals, or other conditions approved by the Committee. Vesting may be accelerated by a Qualified Liquidity Event, and failure to meet requirements results in forfeiture. Participants have no shareholder rights until Common Shares are issued upon settlement of the award, including voting rights and receipt of dividends or distributions. Dividend equivalents may be credited to participants, which can be converted into additional Common Shares covered by the award at the discretion of the Committee, subject to the terms of the Award Agreement. No Restricted Share Unit Award shall be settled until all withholding tax obligations are met as per the terms specified in the Award Agreement..

On 29 December 2023, 2,500,000 Non-qualified share options awards were granted to eligible executives for the purchase of 2,500,000 ordinary shares, each valued at $0.00001 in the capital of the Company, with an exercise price of US$1 per share. This Non-qualified share options awards vested on the same day.

On 30 December 2023, 11,998,301 Non-qualified share options awards were granted to eligible executives for the purchase of 11,998,301 ordinary shares, each valued at $0.00001 in the capital of the Company, with an exercise price of US$1 per share. Additionally, on the same date, 11,998,301 Restricted share unit awards were granted to eligible executives. Both instruments have a vesting period ranging from 3 to 4 years. The financial statements reflect $5,638 in expenses for these instruments.

On 21 January 2024 (a) 6,692,082 Restricted share unit's awards were granted to eligible executives and board members; (b) Non-qualified share options awards were granted to eligible executives for the purchase of 204,082 ordinary shares, each valued at $0.00001 in the capital of the Company, with an exercise price of US$1 per share and; (c) 669,000 Restricted shares awards were granted to eligible board members. All these instruments have a vesting period ranging from 3 to 4 years.

During 2024, 3,684,241 Non-qualified share option awards were vested. In the same period, 5,280,241 Restricted share units and 223,000 Restricted share awards were vested.

As of December 31, 2024, the amount recognized in profit or loss related to these awards, within the scope of the share-based payment arrangements, was $13,306. For the year ended December 31, 2023, $5,638 was recognized in profit and loss for the same concept.

2023

Measurement of fair values

	NSO	RSU
Value per ordinary shares	$ 1.0	$ 1.0
Exercise Price per Share	$ 1.0	N/A
Years to Expiration Date	6.25	N/A
Volatility	41%	N/A
Zero-coupon Risk-Free Rate	4.1 %	N/A
Expected Dividend Yield	—	—
Value per Option	$ 0.47	N/A
Number of Outstanding	14,498,301	11,998,301

Reconciliation of outstanding share options

	NSO		RSU	
	Number (in thousands)	**Weighted average exercise price per unit**	**Number (in thousands)**	**Weighted average exercise price per unit**
Granted	14,498	1.00	11,998	1.00
Outstanding at the end of the year	14,498	1.00	11,998	1.00
Exercisable at the end of the period	2,500	1.00	—	1.00

2024

Measurement of fair values

The inputs used in the measurement of the fair value at grant date and measurement date were as follows for:

	NSO	RSU
Value per ordinary shares	$ 1.0	$ 1.0
Exercise Price per Share	$ 1.0	N/A
Years to Expiration Date	6.25	N/A
Volatility	41%	N/A
Zero-coupon Risk-Free Rate	4.1 %	N/A
Expected Dividend Yield	—	—
Value per Option	$ 0.47	N/A
Number of Outstanding	204,082	6,692,082

Reconciliation of outstanding share options

	NSO		RSU	
	Number (in thousands)	Weighted average exercise price per unit	Number (in thousands)	Weighted average exercise price per unit
Outstanding at the beginning of the year	14,498	1.00	11,998	1.00
Granted	204	1.00	6,692	1.00
Exercised	—	—	(2,801)	1.00
Net Settled (Taxes)	—	—	(616)	1.00
Expired	—	—	—	—
Outstanding at the end of the year	14,702	1.00	15,273	1.00
Exercisable at the end of the period	6,184	1.00	1,864	1.00

(32) Acquisition of aircraft

The following table reflects future commitments related to the acquisition of aircraft and engines as of:
December 31, 2024

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Aircraft and engine purchase commitments	$ 70,053	$1,544,592	$3,317,477	$ 3,153,517	$8,085,639

December 31, 2023

	Less than 1 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

The amounts disclosed reflect pricing terms negotiated with suppliers as of the balance sheet date, which might vary subject to certain conditions such as inflation.

The Group plans to finance these commitments through cash flow generation, financing and / or sale-lease-back arrangements with financial institutions and aircraft leasing companies.

(33) Net Interest Expense

The interest expense and income for the periods presented is as follows:

	Notes	Year ended December 31,	
		2024	2023
Debt interest (1)	20	$ 590,904	$ 338,794
Lease interest	17	283,943	221,806
Other interest expense		108,527	31,736
Interest Income from cash and cash equivalents and short-term investments		(388,013)	(231,882)
Total		**$ 595,361**	**$ 360,454**

(1) For December 2024, the amount increases compared to 2023 mainly due to the recognition of $101,782 in PIK interest related to the Refinancing and Forbearance Agreements, as well as an additional make-whole payment of $54,251 recognized in connection with the extinguishment of the debt.

(34) Net change in fair value of financial instruments

The fair value of financial instruments for the periods presented is as follows:

	Notes	Year ended December 31,	
		2024	2023
Written-off Investment in GOL	13	$ —	$ (791,297)
Warrants	22	8,957	(28,040)
Other long-term debt	21	(16,550)	—
Sky convertible	19	(15,009)	7,599
Total		**$ (22,602)**	**$ (811,738)**

(35) Net revenue

Operating revenues for the periods presented, is as follows:

	For the Year ended December 31,			
	2024	**%**	**2023**	**%**
Domestic				
Tickets	$ 1,158,232	22%	$ 959,768	20%
Ancillaries (1)	309,322	6%	287,820	6%
Cargo and courier	320,679	6%	333,015	7%
Loyalty (2)	79,537	2%	55,289	2%
	1,867,770	**36%**	**1,635,892**	**35%**
International				
Tickets	2,094,401	40%	1,917,685	41%
Ancillaries (1)	608,055	12%	594,405	12%
Cargo and courier	359,754	7%	343,557	7%
Loyalty (2)	135,357	3%	134,810	4%
	3,197,567	**62%**	**2,990,457**	**64%**
Others	108,320	2%	57,399	1%
Total revenue	**$ 5,173,657**	**100%**	**$ 4,683,748**	**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.

(2) Corresponds to revenues related to passenger services acquired through loyalty miles redeemed.

The disaggregation of operating revenues by the categories presented in the consolidated statements of comprehensive income (loss) for the periods presented is as follows:

	For the year ended December 31,			
	2024	**%**	**2023**	**%**
Passenger:				
Tickets	$3,252,633	63%	$2,877,453	61%
Ancillaries	917,377	18%	882,225	19%
Loyalty	167,450	3%	141,905	3%
Other	4,604	—%	4,369	1%
	4,342,064	**84%**	**3,905,952**	**84%**
Cargo and other:				
Loyalty	47,444	1%	48,194	1%
Cargo	680,433	13%	676,572	14%

Other	103,716	2%	53,030	1%
	831,593	**16%**	**777,796**	**16%**
Total revenue	**$5,173,657**	**100%**	**$4,683,748**	**100%**

Contract balances

The following table provides information on accounts receivable, assets and liabilities of contracts with customers.

	Notes	December 31, 2024	December 31, 2023
Trade and other receivable	10	$ 239,954	$ 251,002
Prepaid compensation to clients		253	899
Air traffic liability	25	596,383	656,290
Frequent flyer deferred revenue	25	432,903	436,504

The Group's contract assets consist mainly of accounts receivable arising from an unconditional right to consideration for air transportation and related services already provided. Contract liabilities include Air Traffic Liability, Frequent Flyer deferred revenue, and Deferred revenue, which represent advance payments for services not yet rendered and unredeemed loyalty points. These balances are recognized as revenue when the related performance obligations are satisfied in accordance with IFRS 15.

(36) Earnings (loss) per share

Basic earnings per share has been calculated by dividing the net income (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share has been calculated by dividing the net income (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of the diluted potential ordinary shares into ordinary shares. Basic and diluted EPS are the same for the years presented considering the loss scenario.

The following tables reflects the income (loss) and numbers of shares used in calculating basic and diluted earnings per share:

	For the Year ended December 31,	For the Year ended December 31,
	2024	2023
Income (Loss) attributable to ordinary shareholders of the company adjusted for the effect of dilution	$ (74,614)	$ (690,898)

	For the Year ended December 31, 2024	For the Year ended December 31, 2023
Weighted average number of ordinary shares (basic)	2,487,010	2,262,972
Basic earnings (loss) per share		
Ordinary shares	$ (0.03)	$ (0.31)
Diluted earnings (loss) per share		
Ordinary shares	$ (0.03)	$ (0.31)

(37) Subsequent Events

The Group has evaluated subsequent events occurring after December 31, 2024, through the date of authorization of the accompanying consolidated financial statements. The following non-adjusting events, considered qualitatively or quantitatively material to the Group, occurred after the reporting date:

1 **Disbursement of Wamos Facility** On January 6, 2025, the initial disbursement of $25.5 million under the Wamos Facility was made. This disbursement created a new financial liability after the reporting date.

2 **Exercise of Airbus Purchase Option** On January 10, 2025, the Group reached an agreement with Airbus to exercise the option to purchase additional aircraft under its existing Purchase Agreement. The Group updated its future aircraft and engine commitments to reflect the additional aircraft.

3 **Colombian Tax Ruling – 2018 Period** On February 5, 2025, a Colombian court issued a negative ruling against Aerovías del Continente Americano S.A. (Avianca S.A.) in relation to the 2018 income tax process. An appeal was filed before the Colombian State Council (Consejo de Estado) on February 19, 2025. The tax authority challenged the transfer pricing method of certain intercompany transactions and aircraft depreciation. The amount under dispute is approximately $81.1 million. The Group maintains the risk of loss as remote.

4 **Sky/Andes Dispute on Swap Agreement** Between February 5 and 17, 2025, the Group notified Sky's principal shareholders of the exercise of its option to effectuate a swap under the existing framework agreement. Sky's shareholders later purported to terminate the framework agreement and requested mandatory conversion of the Sky Convertible Loan. The Group has disputed these claims, and the parties are negotiating an alternative transaction.

5 **Avianca Midco 2 PLC – Notes Exchange and New Issuances** On February 14, 2025, Avianca Midco 2 PLC consummated the exchange of substantially all of its Tranche A-1 Senior Secured Notes due 2028 for newly issued 9% Senior Secured Notes due 2028. Concurrently, Avianca Midco 2 PLC issued $1,000,000 of 9.625% Senior Secured Notes due 2030. The net proceeds were used to redeem its Tranche A-2 Senior Secured Notes and repay outstanding loans under its 2021 credit agreement.

6 **USAVFlow II Facility Waivers** On February 26, 2025, the Group signed waivers with lenders under the USAVFlow II Facility, allowing the obligations to be classified as non-current. As these waivers were executed after December 31, 2024, the related liabilities remained classified as current in these consolidated financial statements.

7 **GOL Restructuring – Chapter 11 Approval** On May 20, 2025, GOL secured U.S. court approval of its Chapter 11 restructuring plan, including $1.9 billion in exit financing, $850 million in obligation reductions, $1.1 billion in lease concessions, and a $262 million agreement with Boeing.

8 **Execution of Collateral Agreements for the Revolving Credit Facility** On May 28, 2025, Aerovías del Continente Americano S.A. Avianca, acting through its Florida branch, executed collateral agreements securing obligations under the Revolving Credit Facility for up to $200,000, including spare parts, engines, cargo receivables and airport slots, across multiple jurisdictions.

9 **Acquisition of GOL Linhas Aéreas** On June 6, 2025, the Group, through an intermediate holding company, acquired approximately 80% of the voting share capital of GOL Linhas Aéreas Inteligentes S.A. ("GOL"), a company primarily engaged in providing scheduled and non-scheduled air transportation services for passengers and cargo, as well as maintenance services and loyalty programs. The acquisition followed GOL's emergence from Chapter 11 proceedings in the United States.

Control was obtained through the conversion of Abra's ESSN 2028 notes and other claims into equity, in accordance with the restructuring plan confirmed by the US Bankruptcy Court.

The main purpose of the business combination was to strengthen the Group's position in the airline sector, achieve operational synergies, and support GOL's long-term financial sustainability following its restructuring. As the transaction qualifies as a business combination under IFRS 3, the acquisition method has been applied. As of the date of issuance of these financial statements, the purchase price allocation (PPA) remains provisional and will be finalized within the 12-month measurement period permitted by the standard.

The consideration transferred by the Group consisted primarily of the conversion of debt instruments (including ESSN 2028 notes and other receivables) totaling approximately USD 2.1 billion, as well as the issuance of new shares to creditors and the settlement of certain intercompany balances. No contingent consideration or indemnification assets were recognized.

The identifiable assets acquired and liabilities assumed at the acquisition date, measured on a provisional basis, include cash and cash equivalents, trade receivables, property, plant and equipment, intangible assets (such as trademarks, customer relationships, and slots), financial investments, loans and financing, lease liabilities, provisions, and other operating liabilities. The fair value of net liabilities assumed is estimated at approximately USD 558 million, resulting in the recognition of goodwill of approximately USD 2.7 billion, mainly attributable to expected synergies, enhanced market presence, and assembled workforce.

The functional currency of GOL is the Brazilian real (R$), and its financial information will be translated into the Group's presentation currency in accordance with IAS 21.

Further details of the acquisition, including the final purchase price allocation and the fair values of the identifiable assets and liabilities, will be disclosed in future financial statements once the PPA is finalized.

10 **BOC Aviation – PDP and Lease Financing** On June 4, 2025, the Group reached an agreement with BOC Aviation for long-term leases and PDP Financing for nine Airbus A320-200 NEO aircraft.

11 **Sale of T700 ESN 41624 Engine** On July 14, 2025, the Group completed the sale of engine T700 ESN 41624 for US$6.7 million.

12 As part of the reorganization, on June 6, 2025, NGB subscribed and paid for (i) 8,193,921,300,487 common shares and (ii) 961,501,706,380 preferred shares issued by GOL pursuant to the capital increase approved at the Extraordinary General Meeting held on May 30, 2025, within the judicial restructuring proceedings under Chapter 11.

Subsequent to the Effective Date, in accordance with the applicable Brazilian legislation, GOL shareholders immediately prior to the Effective Date were entitled to preemptive rights in the subscription of the shares issued in the capital increase. According to information provided by Itaú Corretora de Valores S.A., the Company's share transfer agent, during the preemptive period: (i) no preemptive rights were exercised for the subscription of GOL's common shares, and (ii) preemptive rights were exercised by GOL shareholders for the subscription of 7,320,100,088 preferred shares. Following the preemptive rights subscription, NGB holds approximately 99.97% of GOL's common shares and 99.21% of its preferred shares.

13 **AOC Application in Chile – NG Servicios Aéreos** On October 13, 2025, the Group applied for an Air Operator Certificate in Chile through its new subsidiary NG Servicios Aéreos, to operate charter and ACMI services.

14 **Fleet Plan Expansion – Airbus A330neo and A320neo** On October 16, 2025, the Group signed agreements for up to seven A330neo and 50 A320neo aircraft.

15 **Proposed Incorporation of SKY Airline into Abra Group** - On November 10, 2025, Airline announced an agreement-in-principle for the Chilean carrier to join the Abra Group, a strategic initiative intended to enhance air connectivity throughout Latin America. This transaction is subject to regulatory approval, completion of definitive documentation and other closing conditions. Upon the conclusion of the transaction, Abra will acquire full ownership of SKY, resulting in the existing majority shareholders of SKY Airline transitioning to the status of minority shareholders within Abra. Subject to the completion of final documentation and the requisite regulatory approvals, it is anticipated that both Abra and SKY Airline will persist in their independent operations, upholding their current internal and external processes, sales channels, and customer service protocols.

16 On 11 November 2025, the Colombian Superintendence of Industry and Commerce (SIC) issued its final decision closing the data-privacy investigation initiated in 2021, with no liability for Avianca.

17 On November 21, 2025, the Company completed the release of four engines, ESN 645479, 643631, 649510, and 645190, that had been pledged as collateral under the Revolving Credit Facility executed on November 26, 2024. Concurrently, the collateral package under the facility was strengthened through the constitution of a pledge over one A319 aircraft, MSN 6617, together with its two engines, ESN 569804 and 569806, as well as one T700 engine, ESN 42180..

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