

AVIANCA GROUP INTERNATIONAL LIMITED

Unaudited Interim Condensed Consolidated Financial Statements

As of March 31, 2026, and
for the three months ended March 31, 2026 and 2025



AVIANCA GROUP INTERNATIONAL LIMITED

Index to the Interim Condensed Consolidated Financial Statements

Interim condensed consolidated statement of financial position.....	3
Interim condensed consolidated statement of profit or loss	5
Interim condensed consolidated statement of comprehensive income	6
Interim condensed consolidated statement of changes in equity.....	7
Interim condensed consolidated statement of cash flows.....	8
Index to notes the interim condensed consolidated financial statements.....	10

AVIANCA GROUP INTERNATIONAL LIMITED
Interim condensed consolidated statement of financial position as at
(In thousands of United States dollar - US)

	Notes	March 31, 2026	December 31, 2025
		<u>Unaudited</u>	
Assets			
Current assets:			
Cash and cash equivalents	7	\$ 834,483	\$ 943,686
Short-term investments	7	212,739	218,072
Trade and other receivables, net of expected credit losses	8	321,259	326,944
Income tax		146,510	124,330
Other taxes		138,358	130,421
Inventories		120,073	118,233
Prepayments	10	14,098	11,310
Deposits and other assets	10	256,807	42,908
		<u>2,044,327</u>	<u>1,915,904</u>
Assets held for sale		8	2,211
Total current assets		<u>2,044,335</u>	<u>1,918,115</u>
Non-current assets:			
Deposits and other assets	10	179,708	169,978
Trade and other receivables	8	142,072	138,776
Intangible assets		1,281,981	1,293,271
Goodwill		1,614,253	1,616,217
Deferred tax assets		71,913	70,652
Right of use assets	12	2,771,173	2,927,080
Property and equipment	11	1,906,091	1,645,943
Total non-current assets		<u>7,967,191</u>	<u>7,861,917</u>
Total assets		<u>\$ 10,011,526</u>	<u>\$ 9,780,032</u>

AVIANCA GROUP INTERNATIONAL LIMITED
Interim condensed consolidated statement of financial position as at
(In thousands of United States dollar - US)

	Notes	<u>March 31, 2026</u>	<u>December 31, 2025</u>
		Unaudited	
Liabilities and equity			
Current liabilities:			
Borrowings and debts	13	\$ 107,067	\$ 115,220
Leases	12	413,724	382,194
Accounts payable and others	14	959,751	850,383
Income tax payable		46,584	50,969
Others tax payable		6,793	11,417
Provisions for legal claims	19	33,196	32,626
Provisions for return conditions	12	51,722	28,122
Employee benefits		141,442	136,128
Air traffic liability	15	686,740	645,348
Deferred revenue	15	19,349	22,847
Frequent flyer	15	216,054	201,009
Other liabilities		34,696	5,794
Total current liabilities		<u>2,717,118</u>	<u>2,482,057</u>
Non-current liabilities:			
Borrowings and debts	13	2,514,610	2,427,090
Leases	12	2,295,534	2,453,910
Provisions for return conditions	12	591,142	588,315
Employee benefits		60,030	56,906
Deferred tax liabilities		137,860	138,361
Frequent flyer	15	281,043	282,468
Other liabilities		264	200
Total non-current liabilities		<u>5,880,483</u>	<u>5,947,250</u>
Total liabilities		<u>8,597,601</u>	<u>8,429,307</u>
Equity			
Share capital	16	\$ 4	\$ 4
Additional paid-in capital		1,151,825	1,150,094
Retained earnings		137,508	188,742
Other comprehensive income		107,859	(5,438)
Equity attributable to owners of the Group		<u>1,397,196</u>	<u>1,333,402</u>
Non-controlling interest		16,729	17,323
Total equity		<u>1,413,925</u>	<u>1,350,725</u>
Total liabilities and equity		<u>\$ 10,011,526</u>	<u>\$ 9,780,032</u>

See accompanying notes to consolidated financial statements.

AVIANCA GROUP INTERNATIONAL LIMITED
Interim condensed consolidated statement of profit or loss for the three months ended March 31,
(In thousands of United States dollar - US)

	Notes	2026	2025
		<u>Unaudited</u>	
Net revenue:			
Passenger		\$ 1,198,635	\$ 1,055,208
Cargo and other		311,247	269,313
Total net revenue	20	1,509,882	1,324,521
Operating expenses:			
Aircraft fuel		350,560	342,085
Salaries, wages, and benefits		236,407	196,868
Ground operations		176,496	142,136
Air traffic		83,852	64,068
Flight operations		30,657	23,763
Passenger services		52,751	28,007
Maintenance and repairs		76,881	78,607
Selling expenses		78,146	57,359
Fees and other expenses		76,314	77,913
Rentals		37,543	14,604
Depreciation of right of use assets	12	136,669	105,626
Other depreciation and amortization		62,543	41,684
Total operating expenses		1,398,819	1,172,720
Operating profit		111,063	151,801
Interest expense		(171,957)	(166,267)
Interest income and other financial income		14,465	16,379
Net interest expense	21	(157,492)	(149,888)
Foreign exchange, net		(6,615)	(6,774)
Equity method income		244	169
Loss before tax		(52,800)	(4,692)
Income tax expense - current		(895)	(5,462)
Income tax benefit - deferred		1,905	296
Total profit tax expense	18	1,010	(5,166)
Net loss for the period		\$ (51,790)	\$ (9,858)
Loss attributable to:			
Equity holders of the parent		(51,234)	(9,937)
Non-controlling interest		(556)	79
Net loss for the period		\$ (51,790)	\$ (9,858)

AVIANCA GROUP INTERNATIONAL LIMITED

Interim condensed consolidated statement of comprehensive income for the three months ended March 31,

(In thousands of United States dollar - US)

	Notes	2026	2025
		<u>Unaudited</u>	
Net loss for the period		\$ (51,790)	\$ (9,858)
Other comprehensive income:			
Items that will not be reclassified to income or loss in future periods:			
Revaluation of administrative property		6	268
Remeasurements gain of defined benefit		1,784	2,362
		<u>1,790</u>	<u>2,630</u>
Items that will be reclassified to profit or (loss) in subsequent periods:			
Effective portion of changes in fair value of hedging instruments	6	122,868	—
Net change in fair value of financial assets with changes in OCI		9	150
Foreign operations — foreign currency translation differences		(11,408)	2,114
		<u>111,469</u>	<u>2,264</u>
Other comprehensive income, net of income tax		113,259	4,894
Total comprehensive income (loss), net of income tax		<u>\$ 61,469</u>	<u>\$ (4,964)</u>
Attributable to:			
Equity holders of the parent		62,063	(5,018)
Non–controlling interest		(594)	54
Total comprehensive income (loss)		<u>\$ 61,469</u>	<u>\$ (4,964)</u>

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

AVIANCA GROUP INTERNATIONAL LIMITED

Interim condensed consolidated statement of changes in equity for the three months ended March 31,

(In thousands of United States dollar - US)

	Share capital	Additional paid-in capital	Other comprehensive Income	Retained earnings (losses)	Equity attributable to owners of the Group	Non-controlling interest	Total equity
Balance at December 31, 2025	\$ 4	\$ 1,150,094	\$ (5,438)	\$ 188,742	\$ 1,333,402	\$ 17,323	\$ 1,350,725
Net loss for the period	—	—	—	(51,234)	(51,234)	(556)	(51,790)
Share-based payments	—	1,731	—	—	1,731	—	1,731
Other comprehensive income	—	—	113,297	—	113,297	(38)	113,259
Balance at March 31, 2026 (Unaudited)	\$ 4	\$ 1,151,825	\$ 107,859	\$ 137,508	\$ 1,397,196	\$ 16,729	\$ 1,413,925
	Share capital	Additional paid-in capital	Other comprehensive Income	Retained earnings (losses)	Equity attributable to owners of the Group	Non-controlling interest	Total equity
Balance at December 31, 2024	\$ 4	\$ 1,145,962	\$ (3,463)	\$ (87,487)	\$ 1,055,016	\$ 15,828	\$ 1,070,844
Net (loss) profit for the period	—	—	—	(9,937)	(9,937)	79	(9,858)
Other comprehensive income	—	—	4,919	—	4,919	(25)	4,894
Balance at March 31, 2025 (Unaudited)	\$ 4	\$ 1,145,962	\$ 1,456	\$ (97,424)	\$ 1,049,998	\$ 15,882	\$ 1,065,880

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

AVIANCA GROUP INTERNATIONAL LIMITED

Interim condensed consolidated statement of cash flows for the three months ended March 31,

(In thousands of United States dollar - US)

	Notes	2026	2025
		<u>Unaudited</u>	
Cash flows from operating activities:			
Net loss for the period		\$ (51,790)	\$ (9,858)
Adjustments to reconcile profit (loss) to net cash flow:			
(Recovery) provisions for legal claims	19	(565)	3,635
Depreciation of right of use asset	12	136,669	105,626
Other depreciation and amortization		62,543	41,684
Maintenance accrued		—	3,054
Interest income	21	(14,465)	(16,379)
Interest expense	21	171,957	166,267
Income tax benefit – deferred	18	(1,905)	(296)
Income tax expense – current	18	895	5,462
Derivative instruments		(59,311)	—
Unrealized foreign currency loss (gain)		3,098	(3,547)
Changes in:			
Trade and other receivables		(874)	(59,109)
Inventories		(8,481)	3,396
Prepayments		(2,796)	1,298
Net current tax		(14,070)	35,783
Deposits and other assets		(20,584)	(11,267)
Accounts payable and others		88,399	(67,027)
Air traffic liability		38,654	6,445
Frequent flyer		11,617	5,925
Provisions for return conditions		—	(3,657)
Provisions for legal claims	19	(820)	(1,023)
Employee benefits		6,456	15,880
Income tax paid		(22,687)	(21,347)
Net cash provided by operating activities		321,940	200,945

AVIANCA GROUP INTERNATIONAL LIMITED

Interim condensed consolidated statements of cash flows for the three months ended March 31,

(In thousands of United States dollar - US)

	Notes	2026	2025
Cash flows from investing activities:			
Acquisition of property and equipment		(244,729)	(134,558)
Acquisition of property and equipment through PDP		(42,609)	(1,228)
Reimbursement of equipment acquisition		—	18,507
Interest received		12,171	10,900
Maturity (Acquisition) of financial instruments		6,052	(39,210)
Acquisition of intangible assets		(3,445)	(4,272)
Proceeds from sale of property and equipment		19,000	—
Net cash used in investing activities		(253,560)	(149,861)
Cash flows from financing activities:			
Financing of pre-delivery payments	13	42,609	1,228
Proceeds from borrowings and debt		774,158	1,022,691
Transaction cost related to borrowings and debt		(10,376)	(47,632)
Interest paid of loans and borrowings	13	(68,930)	(47,653)
Payment of borrowings and debt		(736,544)	(954,575)
Lease interest paid	12	(74,240)	(71,824)
Payment of leases	12	(86,740)	(81,245)
Prepaid debt call premiums	21	(15,945)	(6,788)
Net cash used in financing activities		(176,008)	(185,798)
Net decrease in cash and cash equivalents		(107,628)	(134,714)
Exchange rate effect on cash and cash equivalents		(1,575)	1,619
Cash and cash equivalents at the beginning of the year		943,686	873,717
Cash and cash equivalents at the end of the period		\$ 834,483	\$ 740,622

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

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(1) Reporting entity

Avianca Group International Limited ("AGIL" or the "Company") was incorporated and exists under the laws of England and Wales as of September 27, 2021, with its registered office at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT. AGIL, together with its subsidiaries, will be referred to as the "Group" for the purposes of this document.

AGIL is a controlled entity of Abra Group Limited ("Abra") since April 3, 2023. AGIL is the parent entity of a group of leading providers of air travel and cargo services in Latin America and around the globe.

Significant subsidiaries

The following are the Group's significant subsidiaries owned directly and indirectly by Avianca Group International Limited included within these interim condensed consolidated financial statements:

Subsidiary name	Country of incorporation	Ownership interest	Ownership interest as of	
			March 31, 2026	December 31, 2025
Avianca Midco 2 PLC	United Kingdom	Indirect	100%	100%
Avianca Ecuador S.A.	Ecuador	Indirect	99.62%	99.62%
Aerovías del Continente Americano S.A. (Avianca)	Colombia	Indirect	99.98%	99.98%
LifeMiles Ltd.	Bermuda	Indirect	100%	100%
Avianca Costa Rica S.A.	Costa Rica	Indirect	92.42%	92.42%
Taca International Airlines, S.A.	El Salvador	Indirect	96.83%	96.83%
Tampa Cargo S.A.S.	Colombia	Indirect	100%	100%
Wamos Air, S.A.U	Spain	Indirect	(*)	(*)

(*) Indirectly the Group owns 49.97% voting rights and 99% of the economic rights of Wamos Air S.A.U.

(2) Basis of presentation of the consolidated financial statements

The interim condensed consolidated financial statements as of and for the three months ended March 31, 2026, have been prepared in accordance with IAS 34 Interim Financial Reporting. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2025.

The Group's interim condensed consolidated financial statements as at and for the three months ended March 31, 2026, were prepared and presented by management and authorized for issuance by the Board on May 19, 2026.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(3) Material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the new standards effective as of January 1, 2026 (see note 4).

(4) New and amended accounting standards

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The new standards, interpretations and amendments with implementation effective from January 1, 2026, are as follows:

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- (a) Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- (b) Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- (c) Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- (d) The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The application of these amendments did not have a material impact on the Group's financial statements.

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The application of these annual improvements did not have a material impact on the Group's financial statements.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(5) Seasonality of operations

The results of operations for any interim period are not necessarily indicative of those for the entire year due to the fact that the business is subject to seasonal fluctuations. These fluctuations are the result of high vacation and leisure demand occurring during the northern hemisphere's summer season during the third quarter (principally in July and August) and again during the fourth quarter (principally in December) as well as in January.

The lowest levels of passenger traffic are typically concentrated in the months of February, March, and May (depending on whether the Easter holiday falls in March or April). Given the proportion of fixed costs, the Group expects quarterly operating results to continue to fluctuate on a quarterly basis. This information is provided to allow for a better understanding of the results. However, management has concluded that this is not 'highly seasonal' in accordance with IAS 34.

(6) Risk management activities

Cash flow hedges for fuel price risk

The Group procures jet fuel to support its operational needs. In line with the risk management policy approved by the Board of Directors, the Group may enter into commodity derivative contracts to mitigate the volatility of passenger jet fuel prices. These contracts are designed to hedge against price fluctuations over defined periods.

In February and March 2026, the Group entered into hedging arrangements to mitigate fuel price volatility covering the period from March to August. This strategy aimed to manage the potential impact of supply chain disruptions during the conflict in the Middle East, which adversely affected refining operations and fuel distribution. To hedge the risk associated with passenger jet fuel price volatility, the Group utilized zero-cost collars, Asian call and put options, all of which were designated as hedging instruments.

The Group designated these fuel options as cash flow hedges for highly probable forecasted purchases. The notional quantity and maturity of the options are aligned with the underlying hedged items to ensure hedge effectiveness. The reference benchmark for these instruments is Jet Fuel – Jet 54 Gulf Coast (PIPELINE) - Platts US. The Group has assessed and confirmed that an economic relationship exists between the hedging instruments and the hedged items.

The Group performs a qualitative of effectiveness and expects that the value of the fuel options and the value of the corresponding hedged items will systematically change in opposing directions in response to movements in the price of the underlying commodity if the price of the commodity increases above the strike price of the derivative.

The main source of hedge ineffectiveness arises from credit risk not reflected in the hedged item. In these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the option contracts, which is not reflected in the fair value of the hedged item. The Group has determined that the effect of credit risk does not influence the value changes that result from that economic relationship.

During the three months ended March 31, 2026, the Group recognized a net gain of \$59,311 in profit or loss representing the effective portion of cash flow hedges reclassified from equity upon maturity. As of March 31, 2026, the fair value of outstanding passenger fuel hedges resulted in a net gain of \$122,868 recognized in Other Comprehensive Income. These derivative positions are recorded on the Interim condensed consolidated statements of financial position under the line item Deposits and other assets of \$127,842 and Other liabilities of \$4,974.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

Collateral

As of March 31, 2026, the Group had transferred cash amounting to \$27,000 to fulfill the collateral requirements associated with its derivative contracts. The counterparties are contractually obligated to return these amounts to the Group upon settlement or termination of the related contracts. This amount has been presented as other assets (see note 10) in the interim condensed consolidated statement of financial position.

In addition, as of March 31, 2026, the Group held cash related to derivative contracts amounting to \$24,000. These amounts represent cash received from counterparties, which the Group is obligated to repay upon settlement of the contracts. This amount has been presented as other liabilities in the interim condensed consolidated statement of financial position.

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

	March 31, 2026	December 31, 2025
Cash on hand	\$ 455	\$ 479
Bank balances (1)	811,283	930,616
Total cash	\$ 811,738	\$ 931,095
Cash equivalents	\$ 22,745	\$ 12,591
Total cash and cash equivalents	\$ 834,483	\$ 943,686
Short - term investments	\$ 162,489	\$ 156,748
Time deposits	50,250	61,324
Total short - term investments	\$ 212,739	\$ 218,072

(1) As of March 31, 2026 and 2025, the majority of the bank accounts pay interest to the Group for the daily or monthly balances.

As of March 31, 2026, the Group maintains a Revolving Credit Facility with a total commitment up to \$200 million, which was fully undrawn and available as of that date.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(8) Trade and other receivables, net of expected credit losses

	Note	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Trade accounts receivable		\$ 244,498	\$ 244,007
Other accounts receivable		44,429	53,798
Accounts receivable from related parties	9	43,249	39,723
		332,176	337,528
Less estimate for expected credit loss		\$ (10,917)	\$ (10,584)
Total current		\$ 321,259	\$ 326,944
Accounts receivable from related parties	9	\$ 142,072	\$ 138,776
Total non-current		\$ 142,072	\$ 138,776

The fair value of trade and other accounts receivable does not differ significantly from the book value.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(9) Balances and transactions with related parties

Company	Country	Nature of relationship with related parties	Nature of related parties transactions	Currency	March 31, 2026		December 31, 2025		For the three months ended March 31,			
					Account Receivables	Account Payables	Account Receivables	Account Payables	Revenue	Expense	Revenue	Expense
Investment Vehicle 1 Limited (1)	Cayman Islands	Shareholder	Loans provided	USD	\$ 142,072	\$ —	\$ 138,776	\$ —	\$ 3,562	\$ —	\$ 3,013	\$ 17
			Payment on Behalf and Fees	USD	33,519	1,400	31,204	1,650	—	—	—	—
Abra Group Limited	United Kingdom	Indirect Shareholder	Services received	USD	—	9,586	—	—	—	9,980	—	8,386
			Payment on Behalf	USD	8,135	—	6,810	—	—	—	—	—
Others	—	—	—	USD	1,595	490	1,709	703	1,976	977	—	373
Total					\$ 185,321	\$ 11,476	\$ 178,499	\$ 2,353	\$ 5,538	\$ 10,957	\$ 3,013	\$ 8,776

	March 31, 2026		December 31, 2025	
	Account Receivables	Account Payables	Account Receivables	Account Payables
	Short term	\$ 43,249	\$ 11,476	\$ 39,723
Long term (1)	142,072	—	138,776	—
Total related parties	\$ 185,321	\$ 11,476	\$ 178,499	\$ 2,353

(1) Avianca Group International Limited entered into an intercompany loan agreement with Investment Vehicle 1 Limited in April 2022 for a total amount of \$142,072, comprising an initial disbursement of \$97,800 and \$44,272 related to amortization and capitalized interest. The loan has an original term of five years and was extended for an additional five-year period effective February 26, 2026. It bears interest at an annual rate of 9.5%, which is capitalized and added to the outstanding principal balance, with repayment due at maturity.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(10) Prepayments and Deposits and other assets

	Note	Short Term		Long Term		Total	
		March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025	March 31, 2026	December 31, 2025
Prepayments							
Insurance		\$ 7,001	\$ 6,799	\$ —	\$ —	\$ 7,001	\$ 6,799
Other		7,097	4,511	—	—	7,097	4,511
Total Prepayments		\$ 14,098	\$ 11,310	\$ —	\$ —	\$ 14,098	\$ 11,310
Deposits and other assets							
Deposits with lessors		\$ 3,216	\$ 6,283	\$ 103,130	\$ 97,689	\$ 106,346	\$ 103,972
Guarantee deposits		4,731	8,846	16,569	15,237	21,300	24,083
Fuel derivative	6	127,842	—	—	—	127,842	—
Travel agency commissions		11,168	11,294	—	—	11,168	11,294
Labor lawsuits		—	—	27,164	24,395	27,164	24,395
Long-term investments		—	—	8,771	8,527	8,771	8,527
Other assets (1)		109,850	16,485	24,074	24,130	133,924	40,615
Total Deposits and other assets		\$ 256,807	\$ 42,908	\$ 179,708	\$ 169,978	\$ 436,515	\$ 212,886
Total		\$ 270,905	\$ 54,218	\$ 179,708	\$ 169,978	\$ 450,613	\$ 224,196

(1) As of March 31, 2026, the Group maintains restricted cash of \$46,431, pledged from its checking and savings accounts to fulfill collateral requirements classified as deposits and other assets according to the definition of demand deposit - IAS 7 (December 31, 2025: \$40,250). Additionally, amounts of \$59,311 and \$27,000 were recognized in relation to the settlement of fuel hedging instruments and cash provided as collateral to support fuel hedging transactions, respectively (see Note 6)

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(11) 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	Predelivery payments	Administrative Property	Other equipment	Total
Cost							
January 1, 2026	\$ 291,059	\$ 827,806	\$ 239,649	\$ 270,146	\$ 118,540	\$ 120,141	\$ 1,867,341
Additions	71,734	148,357	24,431	75,834	—	1,926	322,282
Disposals	(14,207)	(10,521)	(2,173)	—	—	(2,767)	(29,668)
Transfers	2,146	121	(1,011)	(1,281)	—	25	—
Reclassification from right of use assets	162	—	—	—	—	—	162
Foreign currency translation	(616)	(250)	(129)	—	—	(133)	(1,128)
March 31, 2026	\$ 350,278	\$ 965,513	\$ 260,767	\$ 344,699	\$ 118,540	\$ 119,192	\$ 2,158,989
Accumulated depreciation:							
January 1, 2026	\$ 22,978	\$ 107,397	\$ 29,112	\$ —	\$ 8,360	\$ 53,551	\$ 221,398
Additions	6,188	32,117	3,409	—	850	3,121	45,685
Disposals	—	(10,521)	(913)	—	—	(2,684)	(14,118)
Transfers	58	—	(58)	—	—	—	—
Reclassification from right of use assets	58	—	—	—	—	—	58
Foreign currency translation	—	(83)	(5)	—	—	(37)	(125)
March 31, 2026	\$ 29,282	\$ 128,910	\$ 31,545	\$ —	\$ 9,210	\$ 53,951	\$ 252,898
Net balances:							
March 31, 2026	\$ 320,996	\$ 836,603	\$ 229,222	\$ 344,699	\$ 109,330	\$ 65,241	\$ 1,906,091

Non- cash transactions

The Group had non-cash additions of property and equipment that were settled with accounts payables, capitalized interests and others of \$77,553 during the three months ended March 31, 2026

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(12) Leases

Information about leases for which the Group is a lessee is presented below:

Right of use assets

	Aircraft and engines	Real estate	Total
January 1, 2026	\$ 2,850,851	\$ 76,229	\$ 2,927,080
Additions (1)	31,505	711	32,216
Depreciation expense	(133,811)	(2,858)	(136,669)
Lease termination	(43,698)	(3,783)	(47,481)
Foreign currency translation	(3,826)	(43)	(3,869)
Reclassification to Property and Equipment	(104)	—	(104)
March 31, 2026	\$ 2,700,917	\$ 70,256	\$ 2,771,173

(1) During the three months ended March 31, 2026, additions of the right-of-use assets of \$32,216 includes: new leases of one LEAP engine, as well as amendments, incremental rent leases, extensions, and other aeronautical and non-aeronautical lease agreements.

Lease liabilities

	March 31, 2026	December 31, 2025
Current portion of lease liability		
Aircraft and engines	\$ 404,968	\$ 374,407
Real estate	8,756	7,787
	\$ 413,724	\$ 382,194
Long-term lease liability		
Aircraft and engines	\$ 2,241,996	\$ 2,393,787
Real estate	53,538	60,123
	\$ 2,295,534	\$ 2,453,910
Total lease liabilities	\$ 2,709,258	\$ 2,836,104

Non- cash transactions

For the three months ended March 31, 2026 the Group had non-cash additions to right-of-use assets of \$32,216 (three months ended March 31, 2025: \$59,282) and lease liabilities of \$10,893 (three months ended March 31, 2025: \$30,715).

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

Changes in liabilities derived from lease financing activities

	Note	Aircraft and engines rentals – lease liabilities	Other rentals – lease liabilities	Total lease liabilities from financing activities
January 1, 2026		\$ 2,768,194	\$ 67,910	\$ 2,836,104
Additions (1)		10,057	836	10,893
Financial cost	21	73,361	879	74,240
Payments		(83,684)	(3,056)	(86,740)
Interest payments		(73,361)	(879)	(74,240)
Lease termination		(45,821)	(4,669)	(50,490)
Foreign exchange and others		692	1,321	2,013
Foreign currency translation		(2,475)	(47)	(2,522)
March 31, 2026		\$ 2,646,963	\$ 62,295	\$ 2,709,258

(1) The additions in aircraft and engine rentals for the period ended March 31, 2026 of \$10,057 include new leases of one LEAP engine, as well as amendments, incremental leases, extensions, and other aeronautical.

Provisions for return conditions

Provisions for return conditions are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Current	\$ 51,722	\$ 28,122
Non-current	591,142	588,315
Total	\$ 642,864	\$ 616,437

Changes in provisions for return conditions are as follows:

	<u>March 31, 2026</u>
Opening balance	\$ 616,437
Recognition and remeasurement of provisions	19,014
Present value adjustment	7,992
Foreign currency translation	(579)
Total	\$ 642,864

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

Future payments

The following future payments include interest accrued on lease liabilities as of March 31, 2026. All amounts are gross and undiscounted.

	Aircraft and engines lease liabilities	Real estate lease liabilities
One	\$ 658,207	\$ 16,387
Two	598,285	9,023
Three	553,971	8,723
Four	503,839	8,104
Five	403,689	7,619
Six and later	1,082,336	36,439
	\$ 3,800,327	\$ 86,295

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(13) Borrowings and debts

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Notes	\$ 26,511	\$ 35,996
Other debt	80,556	79,224
Total short term	\$ 107,067	\$ 115,220
Notes	\$ 2,137,942	\$ 2,080,286
Other debt	376,668	346,804
Total long Term	\$ 2,514,610	\$ 2,427,090
Total	\$ 2,621,677	\$ 2,542,310

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

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

Notes	Covenants	Issuer	Issuer country	Currency	Nominal Value	Carrying Value		Issuance date	Maturity Date	Annual		Amortization
						March 31, 2026	December 31, 2025			Effective rate	Nominal rate	
Senior Secured Notes 2031 (1)	*	Avianca Midco 2 PLC	United Kingdom	USD	\$ 750,000	\$ 752,085	\$ —	2026	2031	9.97%	9.50%	Maturity
Senior Secured Notes 2030	*	Avianca Midco 2 PLC	United Kingdom	USD	1,000,000	985,370	1,008,052	2025	2030	10.77%	9.63%	Maturity
Tranche A-1 Senior Exchange Notes (1)	*	Avianca Midco 2 PLC	United Kingdom	USD	415,157	424,142	1,105,436	2025	2028	9.33%	9.00%	Maturity
Tranche A-1 Senior unsecured Notes	*	Avianca Midco 2 PLC	United Kingdom	USD	2,774	2,856	2,794	2024	2028	9.21%	9.00%	Maturity
Other Debt												
USAVFlow II Facility	*	Avianca S.A and Taca International S.A	Colombia El Salvador	USD	175,000	172,214	183,975	2024	2029	12.23%	10.17%	Monthly
Taca Credit Card Flow Limited	*	Taca International S.A	El Salvador	USD	89,630	86,772	92,685	2024	2028	8.06%	6.33%	Monthly
Predelivery Payments Financing (2)	*	Avianca S.A	Colombia	USD	149,668	145,707	102,839	2024	2030	7.87%	6.99%	Monthly
Aircraft Debt	*	Avianca S.A	Colombia	USD	27,539	27,616	—	2026	2034	7.89%	7.60%	Quarterly
CAV Facility	*	Avianca S.A	Colombia	USD	24,510	24,520	25,800	2025	2030	8.44%	8.12%	Monthly
Other debts	*	Avianca S.A	Colombia	USD	394	395	1,512	2023	2026	13.80%	13.00%	Monthly
Wamos Loan (3)	*	Wamos Air S.A.U	Spain	USD	—	—	19,217	2025	2030	15.59%	8.53%	Quarterly
Total						\$2,621,677	\$2,542,310					

(1) During the three months ended March 31, 2026, Avianca Midco 2 PLC issued \$750,000 aggregate principal amount of Senior Secured Notes due 2031. The net proceeds were primarily used to redeem \$694,000 aggregate principal amount of its Tranche A-1 Senior Exchange Notes at 102.250% of par. In connection with the early redemption, the Group incurred debt call premium of \$15,615 as part of the extinguishment of debt.

(2) During the three months ended March 31, 2026, the Group increased its nominal value financing by \$42,609.

(3) On March 9, 2026, Wamos Air S.A.U. prepaid in full the outstanding loans under the Wamos Loan in the aggregate amount of \$22,331, including principal and accrued interest. In connection with the early redemption, the Group incurred debt call premium of \$330 as part of the extinguishment of debt.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(*) Existing Covenants as of March 31, 2026

The Group's debt facilities contain certain covenants restricting the Group's ability to, make certain types of restricted payments and incur debt beyond specific 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. Furthermore, certain debt facilities require the delivery of interim and annual financial statements within specific timeframes, as stipulated.

As of March 31, 2026, the Group complied with all financial and non-financial covenants associated with its debt contracts.

Bank guarantees

In order to comply with certain contractual or operating obligations, as of March 31, 2026, the Group had a total of \$32,486 (December 31, 2025: \$26,262), in guarantees issued through financial entities. These guarantees are issued in favor of third parties.

Abra's Pledge of IV1L Shares

As of the date of these interim condensed consolidated financial statements, IV1L, AGIL's sole shareholder, is a subsidiary of Abra. Abra has pledged all of its ordinary shares of IV1L as collateral securing, Abra Senior Secured Notes due 2029, Abra Term Loan and ABRA senior secured exchangeable notes due 2028. Certain of the debt instruments and aircraft leases of IV1L's subsidiaries, including, among others, the Tranche A-1 Senior Exchange Notes, the Tranche A-1 Senior Unsecured Notes, Senior Secured Notes 2030 and the Senior Secured Notes 2031 (together, the "Notes") issued by Avianca Midco 2 PLC ("Midco 2"), contain change of control provisions that may be triggered if the pledged IV1L shares were foreclosed upon by Abra's noteholders. In the event of a change of control (as defined in the indentures with respect to the Notes) that results in a specified decline in the ratings of the Notes, Midco 2 would be required to offer to repurchase the Notes at a price of 101% of the outstanding principal amount.

Debt Collaterals

As of March 31, 2026 and December 31, 2025, obligations under short-term loans and long-term debt amounted to \$2,621,677 (December 31, 2025: \$2,542,310) and were 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, (vii) certain intellectual property rights, and (viii) all tangible and intangible assets of Lifemiles Ltd. and its subsidiaries.

In addition, as of December 31, 2025, certain of the foregoing obligations were further secured by 100% of the shares of Wamos Air S.A., owned by Wav Air Holdings. Such pledge was released in March 2026 and was no longer in effect as of March 31, 2026.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

Changes in liabilities derived from financing activities

	Note	Current and non- current debt activities
January 1, 2026		\$ 2,542,310
New Loans (1)		779,158
Predelivery Payments Financing (2)		42,609
Financial cost	21	76,054
Payments (3)		(738,547)
Interest payments		(68,930)
Transaction cost (4)		(10,376)
Foreign exchange and others		(95)
Foreign currency translation		(506)
March 31, 2026		\$ 2,621,677

(1) During the three months ended March 31, 2026 the Group recognized non-cash new loans of \$5,000 for airframe financing.

(2) During the three months ended March 31, 2026 the Group recognized an additional \$42,609.

(3) The difference between these payments and the amounts disclosed in the Interim condensed consolidated statements of cash flows arises from non-cash transactions associated with the Miles (Loyalty Program) for \$2,003.

(4) During the three months ended March 31, 2026, the Group recognized transaction costs related to the new loan for \$10,376. These costs are adjusted to the carrying amount of the debt and will be amortized under the effective interest method.

Future payments of long-term debt

The following future payments including interests in long-term debt for the period ended March 31, 2026. All amounts are gross and undiscounted and include contractual interest payments while excluding the impact of netting agreements.

Within one year	\$	312,240
Between 1 and 2		302,380
Between 2 and 3		709,364
Between 3 and 4		1,221,729
Between 4 and 5		842,120
More than 5 years		168,656
Total	\$	3,556,489

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(14) Accounts payable and others

	Note	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Accrued expenses			
Maintenance	\$	46,655	\$ 44,521
Airport operation and rentals		29,314	40,756
Partner airlines redemption		28,358	28,470
Others		35,607	39,142
Total accrued expenses	\$	139,934	\$ 152,889
Accounts payable			
Airport fees	\$	249,102	\$ 237,939
Non-income taxes		188,444	153,541
Trade payables		150,530	112,973
Airport operation		87,745	78,559
Maintenance and technical purchases payables		49,733	45,350
Fuel		54,426	36,508
Others		28,361	30,271
Total accounts payable	\$	808,341	\$ 695,141
Accounts payable to related parties	9	\$ 11,476	\$ 2,353
Total Accounts payable and others		\$ 959,751	\$ 850,383

(15) Air traffic liability, frequent flyer and deferred revenue

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Air traffic liability	\$ 686,740	\$ 645,348
Deferred revenue	19,349	22,847
	\$ 706,089	\$ 668,195
Frequent flyer	216,054	201,009
Total current	\$ 922,143	\$ 869,204
Frequent flyer	\$ 281,043	\$ 282,468
Total non-current	\$ 281,043	\$ 282,468

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

(16) Share Capital

	March 31, 2026	March 31, 2025
Ordinary shares issued and paid	39,611,023	39,611,023
Share capital (in US thousands)	\$ 4	\$ 4

The nominal value per share is \$0.0001 Expressed in cents.

Common shares

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

Issue of ordinary shares

There were no movements during the period ended March 31, 2026 and 2025.

(17) Fair value measurements

At March 31, 2026, the Group maintained financial instruments that should be recorded at fair value.

There were no changes in the Group's valuation processes, valuation techniques, or types of inputs used in the fair value measurements during three months ended March 31, 2026 compared to December 31, 2025.

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

		March 31, 2026			
		Fair value measurement using			
Note	Fair Value	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		Level 1	Level 2	Level 3	
Assets measured at fair value					
	Derivative instruments	6	\$ 127,842	\$ —	\$ 127,842
	Assets held for sale		8	—	8
	Short-term investments		7,256	—	7,256
	Revalued administrative property	11	109,330	—	109,330
Liabilities measured at fair value					
	Derivative instruments	6	4,974	—	4,974
	Contingent consideration liability		13,560	—	13,560

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

The significant unobservable inputs and the sensitivity analysis of changes in such inputs used in the Level 3 fair value measurements as of March 31, 2026 are consistent with those disclosed as of December 31, 2025, with no significant changes during the period.

Reconciliation of fair value measurement (Level 3):

	Contingent consideration liability
January 1, 2026	\$ 13,857
Effect of foreign exchange	(297)
March 31, 2026	\$ 13,560

(18) Income tax expense and other taxes

Components of income tax expense

The Group calculates the income tax expense using the best estimate of the effective tax rate expected for the full financial year. The income tax expense is:

	For the three months ended March 31,	
	2026	2025
Current income tax:		
Current income tax charge	\$ (561)	\$ (4,197)
Income tax expense related to prior years	(334)	(1,265)
	\$ (895)	\$ (5,462)
Deferred tax expense:		
Relating to origination and reversal of temporary differences	1,905	296
Income tax expense reported in the income statement	\$ 1,010	\$ (5,166)

During the quarter ended March 31, 2026, the Group reported a tax benefit of USD 1,010, with an effective tax rate of (1.91%), mainly driven by the utilization of previously unrecognized tax losses within the Avianca Group, along with other permanent differences.

The variation compared to March 31, 2025 (110.10%) is primarily explained by deferred tax effects arising from the business combination with Avianca Group International Limited, the reversal of litigation provisions in Wamos, and changes associated with the update of the Q1 2025 results.

Uncertainty over income tax treatments

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessments of many factors, including interpretations of tax law and prior experience. There are no uncertainties over income tax treatments with adverse impacts for the Group identified in the assessments performed.

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

Pillar 2

As of March 31, 2026, and in line with the conclusions derived from the assessments performed as of the 2025 year-end, no top-up tax impacts were identified. The analysis considered all relevant Pillar Two top-up taxes imposed by tax authorities, which are treated as income taxes within the scope of IAS 12 – Income Taxes and the OECD Administrative Guidance on Pillar Two.

(19) Provisions for legal claims

Changes in litigation provisions for the three months ended March 31, 2026 and 2025, were as follows:

	March 31, 2026
Balances at the beginning of the period	\$ 32,626
Additional provision in the period	3,037
Provisions reversed	(3,602)
Foreign exchange	1,955
Provisions used	(820)
Balances at the end of the period	\$ 33,196

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 March 31, 2026, these contingencies totaled \$107,568 (December 31, 2025: \$126,338).

(20) Net Revenue

	For the three months ended March 31,			
	2026	%	2025	%
Revenue:				
Passenger	\$ 1,198,635	79%	\$ 1,055,208	80%
Cargo and other (1)	311,247	21%	269,313	20%
Total revenue	\$ 1,509,882	100%	\$ 1,324,521	100%

(1) This amount mainly includes Aircraft, Crew, Maintenance and Insurance (ACMI) revenues of \$76,217 for the three months ended March 31, 2026 (three months ended March 31, 2025: \$63,792).

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

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

	For the three months ended March 31,	
	2026	2025
Colombia	\$ 639,275	\$ 522,575
North America (1)	293,202	273,032
Central America and the Caribbean	178,508	186,120
South America (excluding Colombia)	235,558	201,679
Europe	163,325	141,097
Other	14	18
Total operating revenue	\$ 1,509,882	\$ 1,324,521

(1) Include the United States for \$237,067 (three months ended March 31, 2025: \$224,862).

The Group allocates revenues by geographic area based primarily on the first flight's point of origin. Any individual country responsible for 10% or more of total operating revenue is presented separately.

(21) Net interest expense

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

	Notes	For the three months ended March 31,	
		2026	2025
Debt interest	13	\$ (76,054)	\$ (74,776)
Lease interest	12	(74,240)	(73,876)
Prepaid debt call premiums		(15,945)	(6,788)
Other interest expense		(5,718)	(10,827)
Interest Income from cash and cash equivalents and short-term investments		10,903	10,346
Interest income - Intercompany loan agreement	9	3,562	3,013
Other financial income		—	3,020
Total		\$ (157,492)	\$ (149,888)

(22) Commitments

The following table reflects future commitments related to the acquisition of aircraft and engines as of March 31, 2026:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Aircraft and engine purchase commitments	\$ 557,602	\$ 3,235,323	\$ 3,084,531	\$ 1,725,879	\$ 8,603,335

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

AVIANCA GROUP INTERNATIONAL LIMITED
Notes to the interim condensed consolidated financial statements
(In thousands of United States dollar - US, unless otherwise noted)

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

The Group has the option to purchase six (6) additional aircraft under its purchase agreements.

(23) Subsequent Events

The Group has evaluated subsequent events occurring after March 31, 2026, through the date of authorization of the accompanying interim condensed consolidated financial statements. The following non-adjusting events, considered qualitatively or quantitatively material to the Group, occurred after the reporting date:

- During April and May 2026, the Group entered into derivative financial instruments to hedge price volatility associated with forecast passenger jet fuel consumption for the period from June 1 to August 31, 2026. The hedging instruments consist of zero-cost collar structures (Asian call and put options) covering an important amount of the forecast passenger jet fuel requirements. These instruments establish a predefined price range that limits exposure to adverse jet fuel price movements while capping the benefit from favorable price changes. The derivatives were entered into at zero net premium and have been designated as cash flow hedges in accordance with IFRS 9.
- On April 01, 2026, the Group completed the acquisition of two narrow-body aircraft.
- On April 06, 2026, the Group exercised its option with Airbus to purchase additional aircraft under its existing purchase agreement (see Note 22). In connection with this, the Group also entered into new future commitments and obtained further options to purchase additional aircraft.
