AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES

(England, United Kingdom)

Unaudited Condensed Consolidated Interim Financial Statements
As of March 31, 2025, and
for the three-month period ended March 31, 2025
with the independent auditor's report on the review of the interim financial information

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)

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INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders
Avianca Group International Limited:

Introduction

We have reviewed the accompanying March 31, 2025, condensed consolidated interim financial statements of Avianca Group International Limited ("the Group"), which comprises:

- the condensed consolidated statement of financial position as of March 31, 2025;
- the condensed consolidated statement of comprehensive income for the three-month period ended March 31, 2025;
- the condensed consolidated statements of changes in equity for the three-month period ended March 31, 2025;
- the condensed consolidated statements of cash flows for the three-month period ended March 31, 2025; and
- notes to the condensed consolidated interim financial statements.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying March 31, 2025, condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting”.

KPMG S.A.S

KPMG S.A.S.
Calle 90 No. 19C - 74
May 6, 2025

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Condensed Consolidated Statements of Financial Position
(In USD thousands)

	Notes	March 31, 2025 Unaudited	December 31, 2024 Audited
Assets			
Current assets:			
Cash and cash equivalents	8	$ 740,622	$ 873,717
Short-term investments	8	217,931	178,481
Trade and other receivables	9	285,874	239,473
Accounts receivable from related parties	10	20,155	7,118
Current tax assets	18	256,366	254,451
Expendable spare parts and supplies		103,990	106,770
Prepayments		11,916	13,082
Deposits and other assets	11	42,892	40,703
Total current assets other than assets held for sale		**1,679,746**	**1,713,795**
Assets held for sale	12	3,546	3,546
Total current assets		**1,683,292**	**1,717,341**
Non–current assets:			
Deposits and other assets	11	139,721	131,633
Accounts receivable from related parties	10	129,173	126,177
Intangible assets	14	1,325,148	1,334,779
Goodwill	14	1,617,571	1,598,210
Deferred tax assets	18	57,468	56,643
Right of use assets	15	3,173,856	3,253,314
Property and equipment	13	1,295,204	1,208,489
Total non–current assets		**7,738,141**	**7,709,245**
Total assets		**$ 9,421,433**	**$ 9,426,586**

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Condensed Consolidated Statements of Financial Position
(In USD thousands)

	Notes	March 31, 2025 Unaudited	December 31, 2024 Audited
Liabilities and equity			
Current liabilities:			
Short-term borrowings and current portion of long-term debt	16	$ 78,846	$ 294,867
Current portion of lease liability	15	364,180	361,715
Accounts payable		684,127	754,169
Accounts payable to related parties	10	9,617	1,185
Accrued expenses		64,524	72,216
Current tax liabilities	18	40,849	30,089
Provisions for legal claims	19	37,915	34,009
Provisions for return conditions	15	22,024	29,026
Employee benefits	7	123,646	112,399
Air traffic liability		555,524	577,437
Deferred revenue		32,182	20,322
Frequent flyer deferred revenue		189,453	186,822
Other liabilities		28	67
Total current liabilities		**2,202,915**	**2,474,323**
Non–current liabilities:			
Long–term debt	16	2,395,484	2,132,760
Long-term lease liability	15	2,404,702	2,440,083
Accounts payable		3,926	3,926
Provisions for return conditions	15	976,309	929,719
Employee benefits	7	73,694	66,559
Deferred tax liabilities	18	146,725	147,146
Frequent flyer deferred revenue		248,869	246,081
Other liabilities		184	152
Total non–current liabilities		**6,249,893**	**5,966,426**
Total liabilities		**8,452,808**	**8,440,749**
Equity			
Share capital		$ 4	$ 4
Additional paid-in capital		1,145,962	1,145,962
Accumulated losses		(194,679)	(172,494)
Other comprehensive income		1,456	(3,463)
Equity attributable to owners of the Group		**952,743**	**970,009**
Non–controlling interest		15,882	15,828
Total equity		**968,625**	**985,837**
Total liabilities and equity		**$ 9,421,433**	**$ 9,426,586**

See accompanying notes to condensed consolidated interim financial statements.

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Condensed Consolidated Statements of Comprehensive Income
(In USD thousands)

	Notes	For the Three months ended March 31, 2025 Unaudited	For the Three months ended March 31, 2024 Unaudited
Operating revenue:			
Passenger		$ 1,109,988	$ 1,076,749
Cargo and other		268,186	188,261
Total operating revenue	5,21	**1,378,174**	**1,265,010**
Operating expenses:			
Aircraft fuel		342,085	368,231
Salaries, wages, and benefits		196,868	174,588
Ground operations		142,136	133,248
Air traffic		64,068	60,789
Flight operations		23,763	29,188
Passenger services		28,007	25,925
Maintenance and repairs		82,145	49,196
Selling expenses		90,999	88,839
Fees and other expenses		77,913	63,725
Rentals	15	14,604	26,452
Depreciation of right of use asset	15	126,250	86,876
Other depreciation and amortization	13,14	41,540	24,620
Total operating expenses		**1,230,378**	**1,131,677**
Operating Income		**147,796**	**133,333**
Interest expense		(174,510)	(129,526)
Interest income and other financial income		16,379	16,089
Net interest expense	23	**(158,131)**	**(113,437)**
Foreign exchange, net		(6,774)	(1,152)
Equity method income		169	—
(Loss) income before tax expense		**(16,940)**	**18,744**
Income tax expense – current	18	(5,462)	(7,432)
Income tax benefit– deferred	18	296	1,656
Total tax expenses	18	**(5,166)**	**(5,776)**
Net (loss) income for the period		**$ (22,106)**	**$ 12,968**

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Condensed Consolidated Statements of Comprehensive Income
(In USD thousands)

	Notes	For the Three months ended March 31, 2025 Unaudited	For the Three months ended March 31, 2024 Unaudited
Net (loss) income for the period		**$ (22,106)**	**$ 12,968**
Other comprehensive income (loss):			
Items that will not be reclassified to profit or loss in future periods:			
Revaluation of administrative property	13	268	(8,132)
Remeasurements of defined benefit	7	2,362	1,198
		2,630	**(6,934)**
Items that are or may be reclassified subsequently to profit or loss:	22		
Net change in fair value of financial assets with changes in OCI		150	21
Foreign operations — foreign currency translation differences		2,114	194
		2,264	**215**
Other comprehensive income (loss), net of income tax		4,894	(6,719)
Total comprehensive (loss) income, net of income tax		**(17,212)**	**6,249**
(loss) income attributable to:			
Equity holders of the parent		(22,185)	10,842
Non–controlling interest		79	2,126
Net (loss) income		**$ (22,106)**	**$ 12,968**
Total comprehensive (loss) income attributable to:			
Equity holders of the parent		(17,266)	4,057
Non–controlling interest		54	2,192
Total comprehensive (loss) income		**$ (17,212)**	**$ 6,249**

See accompanying notes to condensed consolidated interim financial statements.

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Condensed Consolidated Statements of Changes in Equity
(In USD thousands)

For the Three months ended March 31, 2025	Common shares	Share premium	Other comprehensive Income OCI Reserves	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at December 31, 2024	**$ 4**	**$ 1,145,962**	**$ (3,463)**	**$ (172,494)**	**$ 970,009**	**$ 15,828**	**$ 985,837**
Net loss for the period	—	—	—	(22,185)	(22,185)	79	(22,106)
Other comprehensive income	—	—	4,919	—	4,919	(25)	4,894
Balance at March 31, 2025	**$ 4**	**$ 1,145,962**	**$ 1,456**	**$ (194,679)**	**$ 952,743**	**$ 15,882**	**$ 968,625**

For the three months ended March 31, 2024	Common shares	Share premium	Other comprehensive Income OCI Reserves	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interest	Total equity
Balance at December 31, 2023	**$ 4**	**$ 1,145,962**	**$ (72,567)**	**$ (208,402)**	**$ 864,997**	**$ 16,235**	**$ 881,232**
Net income for the period		—	—	10,842	10,842	2,126	12,968
Reclassification of the net defined benefit from OCI	—	—	85,671	(85,671)	—	—	—
Other comprehensive loss	—	—	(6,785)	—	(6,785)	66	(6,719)
Balance at March 31, 2024	**$ 4**	**$ 1,145,962**	**$ 6,319**	**$ (283,231)**	**$ 869,054**	**$ 18,427**	**$ 887,481**

See accompanying notes to condensed consolidated interim financial statements.

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Condensed Consolidated Statements of Cash Flows
(In USD thousands)

	Notes	For the Three months ended March 31, 2025 Unaudited	For the Three months ended March 31, 2024 Unaudited
Cash flows from operating activities:			
Net loss (income) for the year		**$ (22,106)**	**$ 12,968**
Adjustments for:			
Provision for expected credit losses	9	2,325	3,726
Provision for expandable spare parts and suppliers obsolescence		810	463
Provisions (recovery) of legal claims	19	3,635	(649)
Deferred income		—	(29,545)
Depreciation of right of use asset	15	126,250	86,876
Other depreciation and amortization	13,14	41,540	24,620
Maintenance accrued		3,054	—
Loss on disposal of assets		1,570	2,681
Interest income	23	(13,359)	(16,089)
Interest expense	23	174,510	129,526
Deferred tax	18	(296)	(1,656)
Current tax expense	18	5,462	7,432
Unrealized foreign currency gain (loss)		(3,547)	9,563
Changes in:			
Trade and other receivables		(63,004)	(12,401)
Expendable spare parts and supplies		2,586	(4,146)
Prepayments		1,298	6,695
Net current tax		35,783	(25,566)
Deposits and other assets		(11,267)	910
Accounts payable and accrued expenses		(66,713)	15,712
Air traffic liability		(10,855)	(16,218)
Frequent flyer deferred revenue		3,416	(1,487)
Provisions for return conditions	15	(3,657)	(8,099)
Provisions for legal claims	19	(1,023)	(1,040)
Employee benefits		15,880	832
Income tax paid		(21,347)	(11,668)
Net cash provided by operating activities		**$ 200,945**	**$ 173,440**

AVIANCA GROUP INTERNATIONAL LIMITED
(England, United Kingdom)
Condensed Consolidated Statements of Cash Flows
(In USD thousands)

	Notes	For the Three months ended March 31, 2025 Unaudited	For the Three months ended March 31, 2024 Unaudited
Cash flows from investing activities:			
Acquisition of property and equipment		$ (135,786)	$ (75,619)
Reimbursement of equipment acquisition		18,507	—
Acquisition of short-term investments		(144,203)	(158,863)
Maturity of short-term investments		104,993	154,780
Acquisition of intangible assets		(4,272)	(5,852)
Interest received		10,900	14,007
Net cash used by investing activities		**(149,861)**	**(71,547)**
Cash flows from financing activities:			
Proceeds from loans and borrowings	16	1,023,919	—
Transaction cost related to loans and borrowing	16	(47,632)	—
Interest paid	16	(47,653)	(15,267)
Payment of loans and borrowings	16	(954,575)	(19,618)
Lease interest paid	15	(71,824)	(69,338)
Payment of leases	15	(81,245)	(72,858)
Prepaid debt call premiums	23	(6,788)	—
Net cash used by financing activities		**(185,798)**	**(177,081)**
Net decrease in cash and cash equivalents		(134,714)	(75,188)
Exchange rate effect on cash and cash equivalents		1,619	30
Cash and cash equivalents at the beginning of the period		873,717	767,547
Cash and cash equivalents at the end of the period	8	**$ 740,622**	**$ 692,389**

See accompanying notes to condensed consolidated interim financial statements.

(In USD thousands, unless otherwise noted)

(1) Reporting entity

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

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

Significant subsidiaries

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

Name Subsidiary	Country of incorporation	Ownership Interest% 2025	Ownership Interest% 2024
Avianca Midco 2 PLC	England	100%	100%
Avianca-Ecuador S.A.	Ecuador	99.62%	99.62%
Aerovías del Continente Americano S.A. (Avianca)	Colombia	99.98%	99.98%
Grupo Taca Holdings Limited.	Bahamas	100%	100%
LifeMiles Ltd.	Bermuda	100%	100%
Avianca Costa Rica S.A.	Costa Rica	92.42%	92.42%
Taca International Airlines, S.A.	El Salvador	96.83%	96.83%
Tampa Cargo S.A.S.	Colombia	100%	100%

The Group, through its subsidiaries, is a provider of domestic and international passenger and cargo air transportation, both in the domestic markets of Colombia, Ecuador and international routes serving North, Central and South America, Europe, and the Caribbean.

The passenger airlines of the Group have entered into several bilateral code share alliances with other airlines (whereby selected seats on one carrier's flights can be marketed under the brand name and commercial code of the other), expanding travel choices to customers worldwide.

Most codeshare alliances typically include: a single ticket issued in a single transaction for the whole itinerary, passenger and baggage check-in to the final destination, transfer of baggage at any transfer point, frequent flyer program benefits, among others. To date, the airlines of AGIL have codeshare agreements with the following airlines: Air Canada, Air China, Air India, All Nippon Airways, Azul Linhas Aéreas Brasileiras, Clic, 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

(In USD thousands, unless otherwise noted)

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 March 31, 2025 and December 31, 2024, Avianca Group International Limited's total fleet is comprised of:

	As of March 31, 2025			As of December 31, 2024		
Aircraft	**Owned**	**Lease (1)**	**Total**	**Owned**	**Lease (1)**	**Total**
Airbus A-319	1	7	**8**	1	7	**8**
Airbus A-320	—	79	**79**	—	79	**79**
Airbus A-320 NEO	—	47	**47**	—	47	**47**
Airbus A-330	1	14	**15**	1	13	**14**
Airbus A-330F	—	7	**7**	—	7	**7**
Airbus A-300F	2	—	**2**	2	—	**2**
ATR 72-600	—	2	**2**	—	2	**2**
Boeing 787-8	—	16	**16**	—	16	**16**
Boeing 767F	2	—	**2**	2	—	**2**
	6	**172**	**178**	**6**	**171**	**177**

(1) For the three-month period ended March 31, 2025 there are one (1) A-330 and two (2) ATR-72 leased aircraft of the 172 leased aircraft that consist of short-term and variable rent, and as a result, are not reflected in the statement of financial position. (December 31, 2024: one (1) leased A-330 and two (2) leased ATR-72 aircraft of the 171 leased aircraft).

For the three-month period ended March 31, 2025, the Group added one (1) A330 aircraft leasing.

(2) Basis of presentation of the Consolidated Financial Statements

Professional Accounting Standards Applied

(a) Basis of presentation and statement of compliance

The accompanying Condensed Consolidated Interim Financial Statements as of and for the three-month period ended March 31, 2025, have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group´s last annual consolidated financial statements as at and for the year ended December 31, 2024.

The Condensed Consolidated Interim Financial Statements as of and the three-month ended March 31, 2025 do not include all information and disclosures required in the annual financial statements. However, selected explanatory notes have been included to disclose events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the Consolidated Financial Statements for the year ended December 31, 2024.

The Group's condensed consolidated interim financial statements as of March 31, 2025, and for the three-month ended March 31, 2025, were prepared, and presented by management and authorized for issuance by the Directors on May 06, 2025.

(In USD thousands, unless otherwise noted)

(b) Going Concern

By the time these condensed consolidated interim financial statements are approved, management is confident that the Group has adequate resources and remains focused on capturing premium revenue, while maintaining an effective cost control and operational excellence, which will ensure Avianca's operational existence for the foreseeable future. As a result, management continues to prepare these condensed consolidated interim financial statements on the basis of the going concern assumption.

(c) Fuel price Risk

For the execution of its operations, the Group purchases a fuel called jet fuel, which is subject to the fluctuations of international fuel prices. The Group's operations require a significant volume of this fuel and accordingly remains watchful of price fluctuations.

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 March 31, 2025. The analysis is based on the historical fuel consumption. This analysis assumes that all other variables remain constant and considers the effect of changes in jet fuel price.

The Group has changed the comparative sensitivity analysis of the prior period to reflect the method used in the current period based on the historical fuel consumption instead of the budgeted fuel consumption. The Group changes the method because reflect in the most accurate way the risk exposure.

	Effect in profit or loss			
	March 31, 2025		**March 31, 2024**	
	Increase	**Decrease**	**Increase**	**Decrease**
5% movement	$ (14,076)	$ 14,076	$ (15,784)	$ 15,784
10% movement	(28,153)	28,153	(31,568)	31,568
15% movement	(42,229)	42,229	(47,353)	47,353

(d) Basis of measurement

The Condensed Consolidated Interim Financial Statements have been prepared on a historical cost basis, excluding land and buildings (which are classified as administrative property), and short-term investments that have been measured at FVPL.

(e) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Condensed Consolidated Interim Statement of Financial Position as of March 31, 2025, are as follows.

(In USD thousands, unless otherwise noted)

March 31, 2025

Financial assets	Carrying amount measurement	Notes	Carrying amount	Fair value
Short-term Investments	Amortized cost	8	$ 170,521	$ 170,521
Short-term Investments	Fair value through other comprehensive income and amortized cost	8	47,410	47,410
Plan assets	Fair value through other comprehensive income		263	263
			$ 218,194	**$ 218,194**
Financial liabilities				
Short-term and long-term corporate debt	Amortized cost	16	**$ 2,474,330**	**$ 2,350,233**

December 31, 2024

Financial assets	Carrying amount measurement	Notes	Carrying amount	Fair value
Short-term Investments	Amortized cost	8	$ 126,297	$ 126,297
Short-term Investments	Fair value through other comprehensive income and amortized cost	8	52,184	52,184
Plan assets	Fair value through other comprehensive income		243	243
			$ 178,724	**$ 178,724**
Financial liabilities				
Short-term and long-term corporate debt	Amortized cost	16	**$ 2,427,627**	**$ 2,376,773**

The fair value of the financial assets and liabilities corresponds to 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 approximates to the fair value.

Fair values measured on a provisional basis

The initial accounting for the acquisition of Wamos Air S.A.U., hereinafter "Wamos", has only been provisionally determined at the end 2024, in particular with respect to the accounting treatment of the provisions for return conditions and the resulting impact to deferred taxes and goodwill at the closing date. At the date of finalization of these condensed consolidated interim financial statements, all necessary market valuations and other calculations have been finalized based on information obtained until March 31, 2025, and they have therefore only been provisionally determined based on management's best estimate at the time these condensed consolidated interim financial statements were issued. The Company expects to complete its analysis during 2025 and perform adjustment on the provisional amounts during the measurement period if new information is obtained about facts and circumstances that existed as of the acquisition date.

(f) Functional and presentation currency

The Condensed Consolidated Interim Financial Statements are presented in US Dollars, which is the functional currency of significant legal entities within the Group.

(g) Use of judgments and estimates

The preparation of these Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual financial statements as of and for the year ended December 31, 2024.

(h) Reclassifications

Within the process of reviewing the figures of the Condensed Consolidated Interim Financial Statements prospective reclassifications were made in the prior period for purposes of comparison as follows:

i) Condensed Consolidated Interim Statement of Financial Position

To enhance the presentation of the condensed consolidated interim financial statements, the Group has reclassified $20,322 of deferred revenue from the 'Air Traffic Liability' line item to the 'Deferred Revenue' line item in the condensed consolidated statements of financial position,

(In USD thousands, unless otherwise noted)

ii)Condensed Consolidated Interim Statement of Comprehensive Income

	For the Three months ended March 31, 2024	Reclassifications	For the Three months ended March 31, 2024 Adjusted
Operating revenue:			
Passenger	$ 1,076,749	—	$ 1,076,749
Cargo and other	188,261	—	188,261
Total operating revenue	**1,265,010**	**—**	**1,265,010**
Operating expenses:			
Aircraft fuel	368,231	—	368,231
Salaries, wages, and benefits	174,588	—	174,588
Ground operations	133,248	—	133,248
Air traffic	60,789	—	60,789
Flight operations	29,188	—	29,188
Passenger services	25,925	—	25,925
Maintenance and repairs	49,196	—	49,196
Selling expenses	88,839	—	88,839
Fees and other expenses (1)	62,653	1,072	63,725
Rentals	26,452	—	26,452
Depreciation of right of use asset (2)	111,496	(24,620)	86,876
Other depreciation and amortization (2)	—	24,620	24,620
Total operating expenses	**1,130,605**	**1,072**	**1,131,677**
Operating Income	**134,405**	**(1,072)**	**133,333**
Interest expenses	(129,526)	—	(129,526)
Interest income	16,089	—	16,089
Net interest expense	**(113,437)**	**—**	**(113,437)**
Foreign exchange, net	(1,152)	—	(1,152)
Income before income tax	**19,816**	**(1,072)**	**18,744**
Income tax expense – current (1)	(8,504)	1,072	(7,432)
Income tax expense – deferred	1,656	—	1,656
Total income tax expense	**(6,848)**	**1,072**	**(5,776)**
Net income for the period	**$ 12,968**	**$ —**	**$ 12,968**

(In USD thousands, unless otherwise noted)

***iii)* Condensed Consolidated Interim Statement of Cash Flows**

	For the Three months ended March 31, 2024	Reclassifications	For the Three months ended March 31, 2024 Adjusted
Net cash provided by operating activities (3)	$ 174,512	$ (1,072)	$ 173,440
Net cash used in investing activities	(71,547)	—	$ (71,547)
Net cash used in financing activities	(177,081)	—	$ (177,081)
Net decrease in cash and cash equivalents	**(74,116)**	**(1,072)**	**(75,188)**
Exchange rate effect on cash	30	—	30
Cash and cash equivalents at the beginning of the period (3)	783,858	(16,311)	767,547
Cash and cash equivalents at the end of the period (3)	**$ 709,772**	**$ (17,383)**	**$ 692,389**

(1) The Group reclassified $1,072 of taxes calculated over revenues from the line "Income tax expense - current" in the consolidated statement of comprehensive income to the line "Fees and other expenses", according to IAS 12.

(2) The Group presented the depreciation and amortization other than the right of use depreciation of aircraft, engines and other property for $24,620 in a separate line in the Condensed Consolidated Statement of Comprehensive Income as " Other depreciation and amortization". The previous period has been modified to reflect the classification of the current period. See note 15.. See note 15.

(3) The Group presented restricted cash for $(17,383), pledged from its checking and saving accounts to fulfill collateral requirements according to the definition of demand deposit - IAS 7, in the consolidated statement of financial position as "Deposits and other assets" that was previously presented as part of "cash and cash equivalents.

(3) Material accounting policies

The Group has consistently applied the same accounting policies as those applied in the Group´s consolidated financial statements as of and for the year ended December 31, 2024, except if mentioned otherwise.

(4) New and amended accounting standards

a. International Financial Reporting Standards ("IFRS") recently adopted

The Group has adopted the following accounting standards in preparing these condensed consolidated interim financial statements:

Lack of Exchangeability (Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates")

In rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets. The amendments to IAS 21 clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability.

We adopted the amendments effective on January 1, 2025, onwards, and the adoption did not have a material impact on our condensed consolidate interim financial statements or related disclosures.

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. The management is assessing the impact of following new and amended accounting standards on the Group´s consolidated financial statements:

- Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS7), this amendment is effective as of January 1, 2026.
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7, 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.

(5) Segment Information

The Group reports information by segments as established in IFRS 8, “Operating segments,” which requires an entity to report segment information in a manner that enables financial statement users to view the entity through the eyes of management. An operating segment is a component of an entity that engages in business activities for which discrete financial information is available and whose operating results are regularly reviewed by the entity’s chief operating decision maker, or CODM.

The Board of Directors is the CODM and monitors the operating results of the Group’s segments on the basis of the organization of the entity, which is based generally on the differences in services provided under each segment. The Group has two reportable segments that align with the operational reporting used by the CODM:

- Air Transportation: Corresponds to passenger and cargo operations including ancillaries and other revenues for scheduled flights and freight transport, respectively.
- Loyalty: Corresponds to the LifeMiles program for the loyalty subsidiaries of the Group.

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:

(In USD thousands, unless otherwise noted)

	For the three months ended March 31, 2025			For the three months ended March 31, 2024		
	Air transportation	Loyalty	Consolidated	Air transportation	Loyalty	Consolidated
Operating revenue						
Tickets	$ 811,766	$ —	$ 811,766	$ 782,911	$ —	$ 782,911
Ancillaries	218,504	—	218,504	229,680	—	229,680
Cargo and courier	177,464	—	177,464	167,122	—	167,122
Loyalty	—	89,271	89,271	—	71,969	71,969
Other	81,169	—	81,169	13,328	—	13,328
Total operating revenue	**1,288,903**	**89,271**	**1,378,174**	**1,193,041**	**71,969**	**1,265,010**
Operating expenses before depreciation, amortization and impairment	1,012,457	50,131	1,062,588	981,000	39,181	1,020,181
Depreciation, amortization and impairment	160,766	7,024	167,790	105,156	6,340	111,496
Operating Income	**$ 115,680**	**$ 32,116**	**$ 147,796**	**$ 106,885**	**$ 26,448**	**$ 133,333**

For the three months ended March 31, 2025, inter-segment operating revenues and inter-segment operating expenses between our air transportation and loyalty segments were $32,204 and $196, respectively (for the three months ended March 31, 2024: $24,936 and $187). Inter-segment revenues are eliminated upon consolidation.

(In USD thousands, unless otherwise noted)

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

	For the three months ended March 31, 2025	2024
Colombia	$ 522,575	$ 560,310
North America (1)	273,032	246,077
Central America and the Caribbean	222,543	205,286
South America (excluding Colombia)	218,909	188,511
Europe	141,097	64,419
Other	18	407
Total operating revenue	**$ 1,378,174**	**$ 1,265,010**

(1) Include The United States for $224,862 (March 31, 2024: $189,314)

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.

The Group has identified international and domestic revenue based on route for those revenues related with flown and point of sale for some ancillaries collected at sales.

Operating revenues for the periods presented, is as follows:

	For the Three months ended March 31, 2025	%	2024	%
Domestic				
Tickets	$ 251,304	18%	$ 298,410	24.0%
Ancillaries (1)	74,814	5%	77,550	6.0%
Cargo and courier	73,996	5%	74,088	6.0%
Loyalty (2)	34,946	3%	28,150	2.0%
	$ 435,060	**31%**	**$ 478,198**	**38.0%**
International				
Tickets	$ 560,462	41%	$ 484,501	38.0%
Ancillaries (1)	143,690	10%	152,130	12.0%
Cargo and courier	103,468	8%	93,034	7.0%
Loyalty (2)	54,325	4%	43,819	4.0%
	$ 861,945	**63%**	**$ 773,484**	**61.0%**
Others (3)	$ 81,169	6%	$ 13,328	1.0%
Total revenue	**$ 1,378,174**	**100%**	**$ 1,265,010**	**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.

(In USD thousands, unless otherwise noted)

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

(3) Others mainly corresponds to Wamos Air operating revenue.

The disaggregation of operating revenues by the categories presented in the Consolidated Statement of Comprehensive Income (Loss) for the periods presented is as follows:

	For the three months ended March 31,			
	2025	**%**	**2024**	**%**
Passenger:				
Tickets	$ 811,766	59%	$ 782,911	62%
Ancillaries	218,504	15%	229,680	18%
Loyalty	78,966	6%	63,196	5%
Other	752	—%	962	—%
	$ 1,109,988	**80%**	**$ 1,076,749**	**85%**
Cargo and other:				
Loyalty	$ 10,305	1%	$ 8,773	1%
Cargo	177,464	13%	167,122	13%
Other	80,417	6%	12,366	1%
	$ 268,186	**20%**	**$ 188,261**	**15%**
Total revenue	**$ 1,378,174**	**100%**	**$ 1,265,010**	**100%**

(6) Seasonality

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

The lowest levels of passenger traffic are typically concentrated in the months of February, March, and May (depending on whether the Easter holiday falls in March or April). Given the proportion of fixed costs, the group expect quarterly operating results to continue to fluctuate on a quarterly basis. This information is provided to improve the understanding of the Company's performance. However, management has concluded that this does not constitute "highly seasonal" as defined by IAS 34.

(7) Employee benefits

The Group provides certain post-employment benefits. These benefits are unfunded as of March 31, 2025. 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:

(In USD thousands, unless otherwise noted)

	March 31, 2025	December 31, 2024
Defined benefit plan	$ 72,484	$ 70,364
Other benefits - short term	105,932	94,420
Other benefits - long term	18,924	14,174
Total	**$ 197,340**	**$ 178,958**
Current	123,646	112,399
Non-current	73,694	66,559
Total	**$ 197,340**	**$ 178,958**

Movements of Actuarial Valuation of Employee Benefits

The following table summarizes the components of net benefit expense recognized in other comprehensive income within the condensed consolidated statements of comprehensive income (loss) for the periods presented:

	March 31, 2025	March 31, 2024
Actuarial gains recognized in other comprehensive income	$ 2,362	$ 1,326
Adjustment in return on plan assets	—	(128)
Income recognized in other comprehensive income	**$ 2,362**	**$ 1,198**

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

	March 31, 2025	December 31, 2024
Cash on hand and bank deposits	$ 700,840	$ 858,189
Cash equivalents (1)	39,782	15,528
Cash and cash equivalents	**$ 740,622**	**$ 873,717**
Short - Term investments (2)	$ 217,931	$ 178,481
Short-term investments	**$ 217,931**	**$ 178,481**

(1) As of March 31, 2025, 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 March 31, 2025, 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.

(In USD thousands, unless otherwise noted)

As of March 31, 2025, the Group presented in deposits and other assets $31,152 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, 2024: $34,592). See note 11.

(9) Trade and other receivables

	March 31, 2025	December 31, 2024
Trade	$ 260,880	$ 214,329
Employee advances	3,744	3,436
Others	31,085	30,550
	295,709	**248,315**
Less estimate for expected credit losses - trade receivables (1)	(9,835)	(8,842)
Total	**$ 285,874**	**$ 239,473**

Trade receivables are non-interest bearing.

(1) The Group recognized impairment for expected credit losses as of March 31, 2025, for $9,835 (December 31, 2024: $8,842).

	March 31, 2025	December 31, 2024
Balance at beginning of year	$ 8,842	$ 12,699
Net (recovery) provision for expected credit losses (1.1)	993	(3,857)
Total	**$ 9,835**	**$ 8,842**

1.1 Includes expense for expected credit losses for the three months ended March 31, 2025 for $2,325 (for the three months ended March 31, 2024: $3,726).

(In USD thousands, unless otherwise noted)

(10) Balances and transactions with related parties

		As of March 31, 2025		For the three months ended March 31, 2025	
Company	**Country**	**Account Receivables**	**Account Payables**	**Revenues**	**Expenses**
Investment Vehicle 1 Limited (1)	Cayman Islands	$ 144,765	$ 1,018	$ 3,013	$ 17
Abra Group Limited	United Kingdom	4,563	8,386	—	8,386
Others	Colombia	—	213	—	373
Total		**$ 149,328**	**$ 9,617**	**$ 3,013**	**$ 8,776**

		As of December 31, 2024		For the three months ended March 31, 2024	
Company	**Country**	**Account Receivables**	**Account Payables**	**Revenues**	**Expenses**
Investment Vehicle 1 Limited (1)	Cayman Islands	$ 129,187	$ 1,011	$ 2,856	$ —
Abra Group Limited	United Kingdom	4,108	—	—	—
Others	Colombia	—	174	—	2
Total		**$ 133,295**	**$ 1,185**	**$ 2,856**	**$ 2**

	March 31, 2025		December 31, 2024	
	Account Receivables	**Account Payables**	**Account Receivables**	**Account Payables**
Short term	$ 20,155	$ 9,617	$ 7,118	$ 1,185
Long term (1)	129,173	—	126,177	—
Total related parties	**$ 149,328**	**$ 9,617**	**$ 133,295**	**$ 1,185**

(1) There are transactions related to payments made on behalf of Investment Vehicle 1 Limited (IV1L).

(In USD thousands, unless otherwise noted)

(1) Avianca Group International Limited (AGIL) entered into an intercompany agreement with Investment Vehicle 1 Limited (IV1L) in April 2022 for a total amount of $129,173 ($97,800 initial loan and $31,373 for interest capitalization). This intercompany loan has a term of five years, the interest for which to be capitalized on and added to the outstanding balance, to be paid on the maturity date.

Key management personnel compensation

	For the Three months ended March 31, 2025	2024
Salaries/Bonuses	$ 6,434	$ 5,959
Benefits/Social Charges	1,142	821
Total	**$ 7,576**	**$ 6,780**

(11) Deposits and other assets

	March 31, 2025	December 31, 2024
Short Term:		
Deposits with lessors (1)	$ 2,844	$ 3,578
Guarantee deposits (2)	10,323	9,767
Commission (3)	8,652	12,469
Restricted cash (4)	14,909	14,870
Others (6)	6,164	19
Subtotal	**$ 42,892**	**$ 40,703**
Long Term:		
Deposits with lessors (1)	$ 77,858	$ 71,564
Guarantee deposits (2)	11,098	10,220
Restricted cash (4)	16,243	19,722
Labor lawsuits (5)	25,739	22,098
Others (6)	212	198
Long term investments	8,571	7,831
Subtotal	**$ 139,721**	**$ 131,633**
Total	**$ 182,613**	**$ 172,336**

(1) Corresponds primarily to operating lease aircraft agreement security deposits. These deposits are recoverable.

(2) Corresponds to the amounts paid to suppliers in relation to airport facility leasing, among other service agreements.

(3) Corresponds to travel agency commissions.

(In USD thousands, unless otherwise noted)

(4) As of March 31, 2025, the Group maintain $31,152 of restricted cash, pledged from its checking and saving accounts to fulfill collateral requirements classified as *deposits and other assets* according to the definition of demand deposit - IAS 7 (December 31, 2024: $34,592). 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) As of March 31, 2025, the balance corresponds mainly to Colombian tax refund certificates for the payment of taxes in Colombia.

(12) Assets held for sale

	March 31, 2025	December 31, 2024
Airbus aircraft and engines	$ 3,546	$ 3,546
Total assets held for sale	**$ 3,546**	**$ 3,546**

As of March 31, 2025, the Group classified as held for sale two (2) B767 aircraft and one (1) engine. (December 31, 2024: two (2) B767 aircraft and one (1) engine).

(In USD thousands, unless otherwise noted)

(13) Property and equipment, net

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, 2024	**$ 240,206**	**$ 451,130**	**$ 221,091**	**$ 183,190**	**$ 111,040**	**$ 116,530**	**$ 1,323,187**
Additions (1)	23,765	61,323	7,739	26,828	775	1,294	121,724
Disposals	(242)	(4,888)	(2,171)	—	—	(9,924)	(17,225)
Revaluation	—	—	—	—	223	—	223
Transfers	2,064	—	(1,904)	—	—	(160)	—
Reclassification to right of use assets	(6,581)	—	(2,257)	—	—	—	(8,838)
Foreign currency translation	87	—	—	—	118	138	343
March 31, 2025	**$ 259,299**	**$ 507,565**	**$ 222,498**	**$ 210,018**	**$ 112,156**	**$ 107,878**	**$ 1,419,414**
Accumulated depreciation:							
December 31, 2024	**$ 7,788**	**$ 39,209**	**$ 18,761**	**$ —**	**$ 5,004**	**$ 43,936**	**$ 114,698**
Additions	4,825	13,133	3,382	—	792	2,686	24,818
Disposals	—	(4,888)	(922)	—	—	(9,475)	(15,285)
Transfers	121	—	(117)	—	—	(5)	(1)
Reclassification to right of use assets	—	—	(49)	—	—	—	(49)
Foreign currency translation	—	—	—	—	(9)	38	29
March 31, 2025	**$ 12,734**	**$ 47,454**	**$ 21,055**	**$ —**	**$ 5,787**	**$ 37,180**	**$ 124,210**
Net balances:							
December 31, 2024	**$ 232,418**	**$ 411,921**	**$ 202,330**	**$ 183,190**	**$ 106,036**	**$ 72,594**	**$ 1,208,489**
March 31, 2025	**$ 246,565**	**$ 460,111**	**$ 201,443**	**$ 210,018**	**$ 106,369**	**$ 70,698**	**$ 1,295,204**

(1) Non-cash items are excluded for condensed consolidated statement of cash flows purposes.

(In USD thousands, unless otherwise noted)

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	**$ 171,811**	**$ 240,539**	**$ 222,343**	**$ 106,986**	**$ 114,995**	**$ 125,059**	**$ 981,733**
Additions	32,096	28,790	15,730	2,510	—	2,242	81,368
Disposals	—	(84)	(2,610)	—	—	(630)	(3,324)
Transfers	642	—	(763)	—	—	121	—
March 31, 2024	**$ 204,549**	**$ 269,245**	**$ 234,700**	**$ 109,496**	**$ 114,995**	**$ 126,792**	**$ 1,059,777**
Accumulated depreciation:							
December 31, 2023	**$ 15,358**	**$ 5,991**	**$ 16,127**	**$ —**	**$ 3,046**	**$ 41,696**	**$ 82,218**
Additions	4,254	5,456	3,496	—	547	2,793	16,546
Disposals	—	(84)	(677)	—	—	(421)	(1,182)
Transfers	68	—	(68)	—	—	—	—
March 31, 2024	**$ 19,680**	**$ 11,363**	**$ 18,878**	**$ —**	**$ 3,593**	**$ 44,068**	**$ 97,582**
Net balances:							
December 31, 2023	**$ 156,453**	**$ 234,548**	**$ 206,216**	**$ 106,986**	**$ 111,949**	**$ 83,363**	**$ 899,515**
March 31, 2024	**$ 184,869**	**$ 257,882**	**$ 215,822**	**$ 109,496**	**$ 111,402**	**$ 82,724**	**$ 962,195**

(In USD thousands, unless otherwise noted)

(14) Intangible assets and goodwill, net

	March 31, 2025	December 31, 2024
Trademarks	$ 662,753	$ 662,753
Customer Relationships and Routes	526,719	533,129
Software and Webpages	77,402	78,822
Agreements (Code-share and Star Alliance)	48,768	50,569
Slots	9,506	9,506
Total intangible assets	**$ 1,325,148**	**$ 1,334,779**
Goodwill	1,617,571	1,598,210
Total	**$ 2,942,719**	**$ 2,932,989**

(In USD thousands, unless otherwise noted)

The following provides detail on intangible assets and goodwill as of March 31, 2025:

	Note	Goodwill	Customer Relationships and Routes	Agreements (Codeshare and Star Alliance)	Trademarks	Software and Webpages	Slots	Total
Cost:								
December 31, 2024		**$ 1,598,210**	**$ 626,434**	**$ 73,025**	**$ 662,753**	**$ 180,029**	**$ 9,506**	**$ 3,149,957**
Additions (1)	15	19,361	—	—	—	7,048	—	26,409
March 31, 2025		**$ 1,617,571**	**$ 626,434**	**$ 73,025**	**$ 662,753**	**$ 187,077**	**$ 9,506**	**$ 3,176,366**
Accumulated Amortization:								
December 31, 2024		**$ —**	**$ 93,305**	**$ 22,456**	**$ —**	**$ 101,207**	**$ —**	**$ 216,968**
Amortization of the period		—	6,410	1,801	—	8,468	—	16,679
March 31, 2025		**$ —**	**$ 99,715**	**$ 24,257**	**$ —**	**$ 109,675**	**$ —**	**$ 233,647**
Carrying Amounts:								
December 31, 2024		**$ 1,598,210**	**$ 533,129**	**$ 50,569**	**$ 662,753**	**$ 78,822**	**$ 9,506**	**$ 2,932,989**
March 31, 2025		**$ 1,617,571**	**$ 526,719**	**$ 48,768**	**$ 662,753**	**$ 77,402**	**$ 9,506**	**$ 2,942,719**

(1) During the period ending March 31, 2025, the group restated the amount related to the acquisition of a subsidiary (see note 15).

(In USD thousands, unless otherwise noted)

The following provides detail on intangible assets and goodwill as of March 31, 2024

	Goodwill	Customer Relationships and Routes	Agreements (Codeshare and Star Alliance)	Trademarks	Software and Webpages	Slots	Total
Cost:							
December 31, 2023	$ 1,524,638	$ 592,010	$ 73,025	$ 644,141	$ 157,259	$ 9,506	$ 3,000,579
Additions	—	—	—	—	5,852	—	5,852
March 31, 2024	**$ 1,524,638**	**$ 592,010**	**$ 73,025**	**$ 644,141**	**$ 163,111**	**$ 9,506**	**$ 3,006,431**
Accumulated Amortization:							
December 31, 2023	$ —	$ 65,906	$ 15,154	$ —	$ 67,406	$ —	148,466
Amortization of the period	—	6,464	1,816	—	7,922	—	16,202
March 31, 2024	**$ —**	**$ 72,370**	**$ 16,970**	**$ —**	**$ 75,328**	**$ —**	**$ 164,668**
Carrying Amounts:							
December 31, 2023	**$ 1,524,638**	**$ 526,104**	**$ 57,871**	**$ 644,141**	**$ 89,853**	**$ 9,506**	**$ 2,852,113**
March 31, 2024	**$ 1,524,638**	**$ 519,640**	**$ 56,055**	**$ 644,141**	**$ 87,783**	**$ 9,506**	**$ 2,841,763**

(In USD thousands, unless otherwise noted)

(15) Leases

The Group leases certain aircraft under long-term lease agreements with an average duration of 8 years. Certain of the Group´s aircraft operating leases contain renewal clauses that may be exercised based on the Group´s business plan. Renewal clauses are considered in determining the lease term only when it is reasonably certain to be exercised.

Other leased assets include real estate, airport, terminal facilities, and general offices. Most other lease agreements include renewal options, and some include escalation clauses, but none include purchase options.

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

Right of use assets

	Aircraft	Return conditions	Real estate	Total
Balance As of December 31, 2024	**$ 2,622,088**	**$ 550,960**	**$ 80,266**	**$ 3,253,314**
Additions	25,179	2,973	3,431	31,583
Reclassification from Property & Equipment	8,789	—	—	8,789
Depreciation expense	(92,263)	(30,672)	(3,315)	(126,250)
Foreign currency translation	6,420	—	—	6,420
Balance As of March 31, 2025	**$ 2,570,213**	**$ 523,261**	**$ 80,382**	**$ 3,173,856**

During the period starting on December 31, 2024 to March 31, 2025, additions of the right-of-use assets include new leases and contract modifications of A320N, A320, B787, and A330F fleets and engines.

	Aircraft	Return conditions	Real estate	Total
Balance As of December 31, 2023	**$ 2,317,399**	**$ 534,307**	**$ 81,541**	**$ 2,933,247**
Additions	188,673	(33,354)	2,656	157,975
Depreciation expense	(74,519)	(9,327)	(3,030)	(86,876)
Balance As of March 31, 2024	**$ 2,431,553**	**$ 491,626**	**$ 81,167**	**$ 3,004,346**

Additions of the right-of-use assets include new leases and contract modifications of A320N and A320 fleets and engines.

(In USD thousands, unless otherwise noted)

Lease liabilities

	March 31, 2025	December 31, 2024
Current portion of lease liability		
Aircraft and engines	$ 357,265	$ 354,063
Real estate	6,915	7,652
	364,180	**361,715**
Long-term lease liability		
Aircraft and engines	2,346,169	2,384,069
Real estate	58,533	56,014
	2,404,702	**2,440,083**
Total lease liabilities	**$ 2,768,882**	**$ 2,801,798**

Provisions for return conditions

For certain operating leases, the Group is obligated to return aircraft in a contractually predefined condition. The Group records a provision to account for the cost to be incurred to return said leased aircraft to the lessor in the agreed-upon condition, which is capitalized within the right-of-use asset and recognized as a liability for return condition.

Provisions for return conditions are as follows:

	March 31, 2025	December 31, 2024
Current	$ 22,024	$ 29,026
Non-current	976,309	929,719
Total	**$ 998,333**	**$ 958,745**

Changes in provisions for return conditions are as follows:

	Note	March 31, 2025	December 31, 2024
Opening balance		$ 958,745	$ 815,392
Recognition of provisions		6,027	150,687
Recovery provisions (1)		—	(61,565)
Interest expenses		17,771	52,790
Provision used		(3,657)	(8,098)
Acquisition of Subsidiary (2)	14	19,361	10,014
Foreign currency translation		86	(475)
Total provision for return conditions		**$ 998,333**	**$ 958,745**

(In USD thousands, unless otherwise noted)

(1) During the period ending March 31, 2024, the group recognized a write-off return condition provision, as the related events occurred during the period.

(2) During the period ending March 31, 2025, the group restated the amount related to the acquisition of a subsidiary (see note 14).

Future aircraft and engines lease payments

Under IFRS 16, the right of use of an identifiable asset granted to the Group through a lease agreement is recorded as a right-of-use asset within the consolidated statement of financial position. A lease liability is also recorded at lease inception and represents the present value of the minimum payments required under the lease agreement.

As of March 31, 2025, the Group has one hundred seventy-two (172) aircraft that are under leases, three (3) of them consist in short-term and variable rent leases and one hundred sixty-nine (169) 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 March 31, 2025, all amounts are gross and undiscounted:

	Aircraft
Less than one year	$ 568,680
Between one and five years	2,033,109
More than five years	1,228,775
	$ 3,830,564

Avianca Group International has ten (10) spare engines that are under leases to support its aircraft fleet of A320, A320 NEO, A319 and A321. The following is the summary of the future commitments of leases as of March 31, 2025, all amounts are gross and undiscounted:

	Spare Engines
Less than one year	$ 18,932
Between one and five years	54,375
More than five years	37,794
	$ 111,101

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

	March 31, 2025	March 31, 2024
Variable lease payments	$ 5,231	$ 17,587
Leases of low-value assets	9,373	8,865
Total	**$ 14,604**	**$ 26,452**

(In USD thousands, unless otherwise noted)

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 leases liabilities

March 31, 2025

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	$ 281,731	$ 246,345	$ 201,958	$ 166,450	$ 133,433	$ 246,640	**$ 1,276,557**
Interest	$ 305,880	$ 346,786	$ 341,284	$ 329,299	$ 318,915	$ 1,022,944	**$ 2,665,108**

December 31, 2024

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	$ 301,163	$ 326,471	$ 359,360	$ 332,823	$ 321,600	$ 1,078,007	**$ 2,719,424**
Interest	$ 285,990	$ 253,928	$ 209,131	$ 174,179	$ 140,344	$ 272,855	**$ 1,336,427**

Other lease Liabilities

March 31, 2025

	Years						
	One	**Two**	**Three**	**Four**	**Five**	**Six and later**	**Total**
Principal	$ 9,314	$ 7,947	$ 3,604	$ 3,276	$ 3,334	$ 28,495	**$ 55,970**
Interest	$ 4,205	$ 3,682	$ 3,191	$ 2,888	$ 2,611	$ 9,645	**$ 26,222**

(In USD thousands, unless otherwise noted)

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**

AVIANCA GROUP INTERNATIONAL LIMITED AND SUBSIDIARIES
(England, United Kingdom)
Notes to Consolidated Financial Interim Statements
(In USD thousands, unless otherwise noted)

Changes in liabilities derived from lease financing activities at March 31, 2025

	Opening balance	New Lease (1)	Financial cost	Payments	Interest Payments	Lease modifications and others	Foreign currency translation	March 31, 2025
Aircraft and engines rentals – lease liabilities	$ 2,738,132	$ 30,715	$ 72,691	$ (77,419)	$ (70,379)	$ 5,744	$ 3,950	$ 2,703,434
Other rentals – lease liabilities	63,666	—	1,185	(3,826)	(1,445)	5,868	—	65,448
Total lease liabilities from financing activities	**$ 2,801,798**	**$ 30,715**	**$ 73,876**	**$ (81,245)**	**$ (71,824)**	**$ 11,612**	**$ 3,950**	**$ 2,768,882**

(1) The additions in aircraft and engine rentals for the period ended March 31, 2025, correspond to:$13,124 for one (1) aircraft A330 of Wamos, $1,425 for one (1) engine, $7,421 for the effect for aircraft contracts amendment of two (2) A320 and $8,745 for additions of incremental rent.

Changes in liabilities derived from lease financing activities at March 31, 2024

	Opening balance	New Lease (1)	Financial cost	Payments (2)	Interest Payments	Others	March 31, 2024
Aircraft and engines rentals – lease liabilities	$ 2,412,290	$ 188,783	$ 67,717	$ (62,723)	$ (68,121)	$ (1,123)	$ 2,536,823
Other rentals – lease liabilities	71,662	1,697	1,121	(2,652)	(1,217)	1,216	71,827
Total lease liabilities from financing activities	**$ 2,483,952**	**$ 190,480**	**$ 68,838**	**$ (65,375)**	**$ (69,338)**	**$ 93**	**$ 2,608,650**

(1)The additions in aircraft and engine rentals for the period ended March 31, 2025, correspond to: $64,807 for two (2) aircraft A320N, $122,384 for the effect for aircraft contracts amendment of seven (7) A320 and two (2) A330F and $1,592 for additions of incremental rent, and $ 1,697 for other rentals.

(2) The difference between these payments and the payments in the condensed consolidated statement of cash flows corresponds to advance aircraft rent payment for $7,483.

(In USD thousands, unless otherwise noted)

(16) Debt

	March 31, 2025	December 31, 2024
Currents:		
Short-term borrowings and current portion of long-term debt	$ 78,846	$ 294,867
Long-term debt	2,395,484	2,132,760
	$ 2,474,330	**$ 2,427,627**

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

	Due through	March 31, 2025		
		Weighted average interest rate	Nominal Value	Carrying Amount
Long-term debt	2030	9.27%	$ 2,537,868	$ 2,474,330
Total			**$ 2,537,868**	**$ 2,474,330**

	Due through	December 31, 2024		
		Weighted average interest rates	Nominal value	Carrying Amount
Long-term debt	2030	9.20%	$ 2,603,450	$ 2,427,627
Total			**$ 2,603,450**	**$ 2,427,627**

Bank guarantees

In order to comply with certain contractual or operating obligations, as of March 31, 2025, the Group has a total of $24,712 (December 31, 2024: $23,790), in guarantees issued through financial entities. These guarantees are issued in favor of third parties.

Abra's Pledge of IV1L Shares

As of the date of these condensed consolidated interim 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 2028 Notes and the 2030 Notes (together, the "Avianca 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 Avianca Notes) that results in a specified decline in the ratings of the Avianca Notes, Midco 2 would be required to offer to repurchase all of the outstanding 2028 Notes or the 2030 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 $2,474,330 (December 31, 2024: $2,427,627) 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.

Covenants

As of December 31, 2024, the Group was unable to comply with a non-financial covenant corresponding to a loan facility (the successor to the “USAVFlow facility”) payable in 2029. Because the Group did not have the right to defer settlement for at least 12 months after the reporting date, there was a reclassification of the USAVFlow II facility in the amount of $193,805 as current at the end of 2024. 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 reclassified the obligation as “non-current” for the carrying amount for $194,312 million as of March 31, 2025, with a settlement period of 12 months or longer for the reporting period following the agreed waivers.

The Group´s debt facilities contain certain covenants limiting our ability to, among other things, make certain types of restricted payments and incur in 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 and Wamos Air S.A. a leverage ratio below 2.02:1.00 and a liquidity no less than €10 million. As of March 31, 2025, 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 a 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.

Long-term Debt

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 €22.0 million and a delayed draw in the amount of €14.0 million. This financing has a maturity date that is five years after the initial disbursement date. Avianca Group International Limited and certain of its subsidiaries serve as guarantors under this facility. For the disbursement of the financing, the lender discounted up-front fees and Wamos Air paid fees and commissions totalling $3.587 during the three months period ended in March 31, 2025. These fees and commissions are directly attributable to the debt issuance and fulfill the definition of transactions costs according to IFRS 9 and will be amortized to profit or loss using the effective interest method. On January 6, 2025, the initial disbursement of the Wamos Facility in the amount of €22.0 million (USD $22,691) was made.

On February 14, 2025, Avianca Midco 2 PLC consummated its offer to exchange any and all of its outstanding 9% Tranche A-1 Senior Secured Notes due 2028 (the "Tranche A-1 Exit Notes") for its newly issued 9% Senior Secured Notes due 2028 (the "2028 Notes") and its solicitation of consents of the holders of the Tranche A-1 Exit Notes (the "Offer and Solicitation"), pursuant to which holders of 99.75% of the outstanding principal amount of the Tranche A-1 Exit Notes exchanged their Tranche A-1 Exit Notes for 2028 Notes and consented to eliminate substantially all of the restrictive covenants and release and discharge all of the guarantees and release all of the collateral securing the remaining Tranche A-1 Exit Notes. As a result of the consummation of the Offer and Solicitation, Avianca Midco 2 PLC issued US$1,109,157 aggregate principal amount of 2028 Notes and US$2,774 aggregate principal amount of Tranche A-1 Exit Notes remain outstanding. The Group determines that the exchange does not correspond to an extinguishment of the debt under IFRS 9 and consequently recognized $14,566 of consent fees and exchange offer fees incurred adjusting the carrying amount of the liability and are amortized over the remaining term of the modified liability.

(In USD thousands, unless otherwise noted)

Concurrently, on February 14, 2025, Avianca Midco 2 PLC issued US$1,000,000 aggregate principal amount of its 9.625% Senior Secured Notes due 2030 (the "2030 Notes"). For the disbursement of the 2030 Notes, the lender discounted commissions for $21,680 and the Company paid additionally $9,722 for fees and commissions for the disbursement of the debt. These commissions are directly attributable to the debt issue and fulfill the definition of transactions costs according to IFRS 9 and will be amortized to profit or loss using the effective interest method.

The net proceeds of the 2030 Notes were used to redeem in full its 9% Tranche A-2 Senior Secured Exit Notes due 2028 and repay in full the loans under the credit agreement dated as of August 30, 2021, as amended from time to time, by and among LifeMiles Ltd., LifeMiles US Finance LLC, the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent, and for general corporate purposes. The redemption and repayment fulfill the definition of an extinguished debt in the terms of IFRS 9, consequently the related debt call premiums cost paid by the Group for $6,788 were recognized in in the Condensed Consolidated Interim Statement of Comprehensive Income as financial cost in the line "interest expense" (see note 23).

1. **Senior Notes**

Issuing entities	Instrument	Original currency	Total placed in original currency	Balance as of March 31, 2025 (*)	Balance as of December 31, 2024
Avianca Midco 2 PLC	Tranche A-1 Senior Exchange Notes	USD	$ 1,111,937	$ 1,109,157	$ 1,111,937
Avianca Midco 2 PLC	Tranche A-2 Senior Notes	USD	583,871	—	583,871
Avianca Midco 2 PLC	New Notes Senior Notes	USD	—	1,000,000	—
Avianca Midco 2 PLC	Tranche A-1 Senior	USD	—	2,774	—
Total			**$ 1,695,808**	**$ 2,111,931**	**$ 1,695,808**

(*) As of March 31, 2025 the carrying amount of the senior notes corresponds to $2,092,084, which includes $2,111,931 of principal, $(45,968) of transaction costs and $26,121 of interest expense.

(In USD thousands, unless otherwise noted)

Issuers:	Avianca Midco 2 PLC
Guarantors:	Avianca Group International Limited - AVN Flight Cayman Limited - Avianca Midco 1 Limited - Avianca Group (UK) Limited - Aeroinversiones de Honduras, S.A - Aerovías del Continente Americano S.A. - Avianca-Airlease Holdings One Ltd - America Central (Canada) Corp - America Central Corp - AV International Holdco S.A - AV International Holdings S.A. - AV International Investments S.A.- AV International Ventures S.A. - AV Investments One Colombia S.A.S. - AV Investments Two Colombia S.A.S. - AV Loyalty Bermuda Ltd. - AV Taca International Holdco S.A. - Aviacorp Enterprises, S.A. - Avianca Costa Rica S.A. - Avianca, Inc. - Avianca-Ecuador S.A. - Aviaservicios, S.A. - Aviateca, S.A. - C.R. Int’l Enterprises, Inc. - Grupo Taca Holdings Limited - International Trade Marks Agency Inc. - Inversiones del Caribe, S.A. - Latin Airways Corp. - Latin Logistics, LLC - LifeMiles Ltd. - LifeMiles Trading Co International Ltd. - LifeMiles Trading Co. Costa Rica S.R.L. - LifeMiles US Finance LLC - LoyaltyCo, S.A. de C.V. - Nicaragüense de Aviación, Sociedad Anónima - Regional Express Américas S.A.S. - Ronair N.V. - Servicio Terrestre, Aéreo y Rampa S.A .- Taca de Honduras, S.A. de C.V. - Taca de México, S.A. - Taca International Airlines S.A. - Taca S.A. - Tampa Cargo S.A.S. - Technical and Training Services, S.A. de C.V.
Initial Issue Price:	Exchange A-1 Senior Exchange Notes 2028 9.000% - New Senior Notes 2030 9.625%
Initial Issue Date:	Exchange A-1 Senior Notes 2028 December 1, 2021 and Exchange process on February 14, 2025 – New Senior Notes 2030 February 14, 2025
Issue Amount:	Exchange A-1 Senior Notes 2028 $ 1,109,157 – New Senior Notes 2030 $ 1,000,000
Interest:	Exchange A-1 Senior Notes 2028 will bear interest at a fixed rate of 9% per year – New Senior Notes 2030 will bear interest at a fixed rate of 9,625% per year
Maturity Date:	Exchange A-1 Senior Notes 2028 will mature on December 1, 2028 – New Senior Notes 2030 will mature on February 14, 2030.

2. Other debt long-term debt

The other long-term debt of the Group as of As of March 31, 2025 for $382,240 (As of December 31, 2024 $734,757) corresponds mainly to credit cards securitization and Wamos Air Secured Financing which are also subject to the covenants described above.

Future payments on long-term debt

The following future payments including interests in long–term debt for the period ended March 31, 2025. All amounts are gross and undiscounted and include contractual interest payments while excluding the impact of netting agreements.

(In USD thousands, unless otherwise noted)

Corporate debt

March 31, 2025

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 54,744	$ 123,646	$ 73,598	$ 1,183,527	$ 1,064,278	$ 2,499,793
Interests	$ 211,575	$ 223,566	$ 213,325	$ 206,082	$ 99,670	$ 954,218

December 31, 2024

	Years					
	One	**Two**	**Three**	**Four**	**Five and later**	**Total**
Principal	$ 274,462	$ 336,538	$ 68,465	$ 1,715,836	$ 36,052	$ 2,431,353
Interests	$ 203,456	$ 186,047	$ 157,841	$ 156,170	$ 2,972	$ 706,486

(In USD thousands, unless otherwise noted)

Changes in liabilities derived from financing activities at March 31, 2025

	January 1, 2025	New Loans (1)	PDPs Refinancing	Financial cost	Payments (2)	Interest Payments	Foreign currency translation	Reclassifications	Transaction cost (3)	March 31, 2025
Current portion of long-term credits (excluding items listed below)	$ 294,867	$ —	$ 1,228	$ 25,278	$ (7,707)	$ (8,817)	$ —	$ (226,004)	$ —	$ 78,845
Non-current portion long-term debt	2,132,760	1,022,691	—	49,498	(948,871)	(38,836)	1,794	226,004	(49,555)	2,395,485
Total	**$2,427,627**	**$1,022,691**	**$ 1,228**	**$ 74,776**	**$ (956,578)**	**$ (47,653)**	**$ 1,794**	**$ —**	**$ (49,555)**	**$ 2,474,330**

(1) As was described above, on February 14, 2025, Avianca Midco 2 PLC issued US$1,000,000 aggregate principal amount of its 9.625% Senior Secured Notes due 2030 (the "2030 Notes"). Additionally, on January 6, 2025, the initial disbursement of the Wamos Facility in the amount of $22,691 million was made.

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

(3) The Group recognized transaction costs related to the new loans for $49,555. These transaction costs are adjusted to the carrying amount of the debt and will be amortized under the effective interest method. The difference with the condensed consolidated statement of cash flow for $1,923 corresponds to costs accrued pending payment.

(In USD thousands, unless otherwise noted)

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

	January 1, 2024	Financial cost	Payments (1)	Interest Payments	Others	Reclassifications	March 31, 2024
Current portion of long-term credits (excluding items listed below)	$ 206,818	$ 54,181	$ (21,621)	$ (15,267)	$ 15	$ (4,582)	$ 219,544
Non-current portion long-term debt	2,080,841	—	—	—	—	4,582	2,085,423
Total	**$ 2,287,659**	**$ 54,181**	**$ (21,621)**	**$ (15,267)**	**$ 15**	**$ —**	**$ 2,304,967**

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

(In USD thousands, unless otherwise noted)

(17) Fair value measurements

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

As of March 31, 2025

		Fair value measurement using			
Assets measured at fair value	**Note**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Aircraft and engines held for sale	12	—	3,546	—	3,546
Short-term Investments		—	47,410	—	47,410
Administrative property	13	—	—	106,369	106,369

	Fair value measurement using			
Liabilities measured at amortized cost	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Short–term borrowings and long–term debt	$ —	$ 2,350,233	$ —	$2,350,233

As of December 31, 2024

		Fair value measurement using			
Assets measured at fair value	**Note**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Aircraft and engines held for sale	13	—	3,546	—	3,546
Short-term Investments		—	52,184	—	52,184
Administrative property	14	—	—	106,036	106,036

	Fair value measurement using			
Liabilities measured at amortized cost	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Short–term borrowings and long–term debt	$ —	$ 2,376,773	$ —	$2,376,773

Fair values hierarchy

The different levels have been defined as follows:

Level 1 Observable inputs such as quoted prices in active markets.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 Inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognized within the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in hierarchy by re–assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

(a) The fair value of financial assets which changes in OCI is determined by reference to the present value of future principal and interest cash flows, discounted at a market based on interest rate at the reporting date.
(b) The Group uses the revaluation model to measure the value of its land and buildings which are comprised of administrative properties. Management has determined that this constitutes one class of asset under IAS 16 based on the nature, characteristics, and risks of the property. Property fair values were determined using market comparable methods. This means that valuations performed by appraisals are based on active market prices, adjusted for difference in the nature, location, or condition of the specific property. The Group engaged accredited independent appraisers to determine the fair value of its land and buildings.

The following table shows the valuation technique used to measure the fair value of the administrative property, as well as the unobservable investment used.

Valuation technique and significant unobservable entries

(1) The following table shows the valuation technique used to measure the fair value for the periods presented:

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.

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.

Aircrafts held for sale

Valuation technique
The fair value of assets held for sale is determined by reference of a potential bid price at the reporting date.

Short–term borrowings and long–term debt

Valuation technique
The fair value of short–term borrowings and long–term debt is determined by reference to the present value of future principal and interest cash flows, discounted at a market based interest rate at the reporting date.

(2) The following tables present qualitative information of significant unobservable inputs and sensitivity analysis of changes in hypothetical significant unobservable inputs to valuation model used in Level 3 fair value measurement for the periods presented.

(In USD thousands, unless otherwise noted)

	Fair value on March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average) in % and USD	Relationship of inputs to fair value
Revalued administrative property	$ 106,369	Market comparison 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)	$ 16.97	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (Colombia)	$ 2,829	The higher the square vara price, the higher the fair value
			Monthly rental value per square meter (Costa Rica)	$ 42,370	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (Costa Rica)	$ 8.57	The higher the square vara price, the higher the fair value
			Depreciation of Colombian peso against US Dollar	4.90%	The higher depreciation of Colombian peso against US Dollar, the higher the fair value

(In USD thousands, unless otherwise noted)

	Fair value on December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average) in % and USD	Relationship of inputs to fair value
Revalued administrative property	$ 106,036	Market comparison 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 vara price (Colombia)	$ 2,472	The higher the square vara price, the higher the fair value
			Monthly rental value per square meter (Costa Rica)	$ 42,370	The higher the monthly rental value per square meter, the higher the fair value
			Square vara price (Costa Rica)	$ 8.57	The higher the square vara price, the higher the fair value
			Depreciation of Colombian peso against US Dollar	(15%)	The higher depreciation of Colombian peso against US Dollar, the higher the fair value

(18) Income tax expense and other taxes

Current tax assets and tax liabilities

	March 31, 2025	December 31, 2024
Current income tax – assets	$ 146,226	$ 160,333
Other current taxes		
Current VAT – assets	75,233	64,899
Other current taxes	34,907	29,219
Total other current taxes	110,140	94,118
Total current taxes – assets	**$ 256,366**	**$ 254,451**
Current income tax – liabilities	$ (32,356)	$ (18,558)
Others	(8,493)	(11,531)
Total Current income tax – liabilities	**$ (40,849)**	**$ (30,089)**

(In USD thousands, unless otherwise noted)

Components of income tax expense

Income tax expense for the year ended March 31, 2025, is comprised of the following:

Consolidated statement of comprehensive income

		March 31, 2025		March 31, 2024
Current income tax:				
Current income tax charge	$	(5,462)	$	(7,432)
Subtotal	**$**	**(5,462)**	**$**	**(7,432)**
Deferred tax expense:				
Relating to origination and reversal of temporary differences		296		1,656
Income tax expense reported in the income statement	**$**	**(5,166)**	**$**	**(5,776)**

Although the Group reported a consolidated loss before income tax of $(16,940) for the three-month interim period ended March 31, 2025, an income tax expense of $(5,166) was recognized. In accordance with IAS 34 Interim Financial Reporting, the Group has estimated the income tax expense using the tax rate that would be applicable to expected total annual earnings for most of the Group's individual entities. Consequently, tax expenses have been recognized in certain subsidiaries that are projected to generate profits for the full financial year. These projected profits have led to the recognition of current tax expenses during the interim period.

Changes in deferred tax assets and deferred tax liabilities

	Three months ended March 31,			
		2025		2024
Deferred tax assets				
As of December 31	$	56,643	$	45,444
Recognized in profit and loss		(125)		(96)
Conversion effect and others		950		—
Total Deferred tax assets	**$**	**57,468**	**$**	**45,348**

	Three months ended March 31,			
		2025		2024
Deferred tax liabilities				
As of December 31	**$**	**(147,146)**	**$**	**(136,045)**
Recognized in profit and loss		421		1,752
Conversion effect and others		—		78
Total Deferred tax liabilities	**$**	**(146,725)**	**$**	**(134,215)**

(In USD thousands, unless otherwise noted)

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%

Uncertainty over income tax treatments

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

Global minimum top-up tax

On October 8th, 2021, 136 countries reached an agreement for an international tax reform. The agreement proposes two pillars. The first pillar is about how to divide taxing rights between countries. The second pillar is about how to ensure that multinational enterprises pay a minimum level of tax. The Pillar Two Global Anti-Base Erosion Model Rules "GloBe Rules" propose four new taxing mechanisms. These mechanisms would ensure that multinational enterprises pay a minimum level of tax. These mechanisms include:

1. The "subject to tax" rule, which proposes a minimum tax on certain cross-border intercompany transactions that are not subject to a minimum level of tax.
2. The "income inclusion" rule, which proposes a minimum tax on the income arising in each jurisdiction in which the Group operates.
3. The "undertaxed payments" rule, which proposes a minimum tax on certain cross-border payments that are subject to tax but taxed at a low rate.
4. The "qualified domestic minimum top-up tax", which generally proposes a minimum tax on the income arising in each jurisdiction in which the Group operates.

Although the Group operates in several jurisdictions, the UPE (Ultimate Parent Entity) has been determined to be 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 Global minimum top-up tax.

(In USD thousands, unless otherwise noted)

During 2024, the Group conducted an analysis of the potential applicability of the GloBE Rules and as a result of such analysis no top-up was determined.

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

On 1 January 2025 - The UK's Under Taxed Profits rule ("UTPR" levied via MTT) takes effect (subject to enactment of Finance Bill 2024-25). Filing member registration 30 June 2025 and the filing member will need to register with HM Revenue & Customs.

A preliminary analysis was completed in March 2025, with no additional tax liabilities anticipated at this stage. In accordance with HM Revenue & Customs regulations, the Group has registered Abra Group Limited as the designated UPE within the established timeframe.

(19) Provisions for legal claims

Change in litigation provisions during the period ended March 31, 2025, are as follows:

	March 31, 2025	December 31, 2024
Balances at the beginning of the period	$ 34,009	$ 31,125
Provisions constituted	6,324	18,660
Provisions reverse	(2,689)	(11,058)
Reclassifications to liabilities	—	(5,041)
Foreign exchange	1,294	(447)
Provisions used	(1,023)	(3,213)
Acquisition of subsidiary	—	3,983
Balances at the end of the period	**$ 37,915**	**$ 34,009**

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, 2025, these contingencies totaled $142,245 (December 31, 2024: $137,549).

	March 31, 2025	December 31, 2024
Labor	$ 80,791	$ 69,500
Taxes	44,323	43,717
Administrative	1,535	8,218
Consumer protection	2,203	2,223
Civil	6,411	6,703
Direct Claims	4,881	4,875
Others	2,101	2,313
Total	**$ 142,245**	**$ 137,549**

In accordance with IAS 37, the processes that the Company considers as representing an insubstantial risk are not included within the Consolidated Statements of Financial Position.

Internal investigations to determine whether we may have violated the U.S. Foreign Corrupt Practices Act and other laws

In August 2019, Avianca Holdings S.A. (former parent of the Avianca Group) disclosed that it had discovered a business practice whereby, years before, certain employees, including members of senior management, as well as certain members of Avianca's board of directors, provided 'things of value' to government employees in certain countries which, based on its understanding, were limited to free and discounted airline tickets and upgrades. Avianca commenced an internal investigation and retained reputable external counsel as well as a specialized forensic investigatory firm to determine whether this practice may have violated the FCPA or other potentially applicable 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 understands, 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.

(In USD thousands, unless otherwise noted)

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.

(20) Acquisition of aircraft

In accordance with the agreements in effect, future commitments related to the acquisition of aircraft and engines as of March 31, 2025, are as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Aircraft and engine purchase commitments	$ 115,160	$ 1,965,234	$ 3,520,713	$ 2,465,159	$ 8,066,266

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 cashflow generation, financing and / or sale-lease-back arrangements with financial institutions and aircraft leasing companies.

(21) Operating Revenue

Operating revenues are comprised of passenger revenues, cargo and courier, and other operating revenues. The following table shows disaggregated operating revenues:

	For the three months ended March 31,			
	2025	**%**	**2024**	**%**
Domestic				
Passenger	$ 361,064	26%	$ 404,110	32%
International				
Passenger	$ 748,924	54%	$ 672,639	53%
	$ 1,109,988	**80%**	**$ 1,076,749**	**85%**
Domestic				
Cargo	$ 73,996	5%	$ 74,088	6%
International				
Cargo	103,468	8%	93,034	7%
	$ 177,464	**13%**	**$ 167,122**	**13%**
Others	90,722	7%	21,139	2%
Total Cargo and other	**$ 268,186**	**20%**	**$ 188,261**	**15%**
Total operating revenue	**$ 1,378,174**	**100%**	**$ 1,265,010**	**100%**

(In USD thousands, unless otherwise noted)

(22) Common Share

	March 31, 2025	March 31, 2024
Ordinary shares issued and paid	39,611,023	39,569,223

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

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time. As of the issue date, Investment Vehicle 1 Limited is the sole shareholder.

Issue of ordinary shares

The following table reconciles AGIL's opening share balance to the closing share balance for the periods presented.

	Shares Issued and Outstanding
As of December 31, 2024	39,611,023
As of March 31, 2025	**39,611,023**

Dividends

The Group did not decree or pay dividends during any periods presented in these consolidated financial statements.

(23) Net Interest Expense

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

	Notes	Three months ended March 31, 2025	Three months ended March 31, 2024
Debt interest	16	$ 74,776	$ 54,181
Lease interest	15	73,876	68,838
Prepaid debt call premiums	16	6,788	—
Other interest expense		19,070	6,507
Interest Income from cash and cash equivalents and short-term investments		(10,346)	(13,233)
Interest income - Intercompany loan agreement	10	(3,013)	(2,856)
Other financial income		(3,020)	—
Total		**$ 158,131**	**$ 113,437**

(24) Subsequent Events

There have been no post-balance sheet events that have occurred since the balance sheet date that would require disclosure in or amendment of these condensed consolidated interim financial statements.

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