

January 14, 2025



Avianca Group Announces Exchange Offer for Any and All of its 9.000% Tranche A-1 Senior Secured Notes due 2028 and Related Consent Solicitation

BOGOTA, Colombia, Jan. 14, 2025 /PRNewswire/ -- Avianca Group International Limited ("Avianca Group") today announced that its subsidiary Avianca Midco 2 PLC (the "Company") has commenced (i) an offer to exchange (the "Exchange Offer") any and all of its outstanding 9.000% Tranche A-1 Senior Secured Notes due 2028 (the "Existing Notes") for their newly issued 9.000% Senior Secured Notes due 2028 (the "New Notes") and (ii) a solicitation of consents (the "Consents") of the holders of the Existing Notes (the "Consent Solicitation" and, together with the Exchange Offer, the "Offer and Solicitation") to amend certain provisions of the indenture governing the Existing Notes, upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum (the "Exchange Offer and Consent Solicitation Memorandum"), dated January 14, 2025, and the related Eligibility Letter (together, the "Offer and Solicitation Documents"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Offer and Solicitation Documents.

The following table sets forth certain material terms of the Exchange Offer:

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

(1) Per US\$1,000 principal amount of the Existing Notes validly tendered, and not validly withdrawn and accepted for exchange. The Early Exchange Consideration and the Late Exchange Consideration does not include Accrued Interest (as defined in the Exchange Offer and Consent Solicitation Memorandum), which shall be paid together with the applicable Exchange Consideration as described herein.

(2) As of the date of the Exchange Offer and Consent Solicitation Memorandum.

(3) The Existing Notes are currently listed on The International Stock Exchange Authority Limited (the "TISE").

The Offer and Solicitation will expire at 11:59 p.m. (New York City time) on February 11,

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

The Company expects, on February 14, 2025, which is the third business day after the Expiration Date (as may be extended by the Company, the "Settlement Date"), to pay the Exchange Consideration and issue and deliver the applicable principal amount of New Notes, in exchange for any Existing Notes tendered and not withdrawn and accepted for exchange, in the amount and manner described in the Exchange Offer and Consent Solicitation Memorandum. The Company will not be obligated to deliver the New Notes unless the Offer and Solicitation is consummated.

For a description of the terms of the New Notes, see the Exchange Offer and Consent Solicitation Memorandum.

The Company is also seeking Consents from Eligible Holders of the Existing Notes to amend certain provisions of the indenture governing the Existing Notes, as described and subject to the consent requirements set forth in the Exchange Offer and Consent Solicitation Memorandum. If holders of not less than a majority in principal amount of the outstanding Existing Notes deliver Consents, the indenture will be amended to eliminate substantially all the restrictive covenants, amend certain events of default and related provisions and release the liens on certain assets constituting collateral securing the Existing Notes. If holders of at least 90% in principal amount of the outstanding Existing Notes deliver Consents, the indenture will be amended to release and discharge all of the guarantees in respect of the Existing Notes and release all of the collateral securing the Existing Notes. Eligible Holders of Existing Notes may not tender Existing Notes without delivering the related Consents, and Eligible Holders of Existing Notes may not deliver Consents without tendering the related Existing Notes.

The consummation of the Offer and Solicitation is conditioned upon, among other conditions, the receipt of Existing Notes validly tendered (and not validly withdrawn) and accepted in the Offer and Solicitation prior to the Expiration Date representing not less than a majority in principal amount of the Existing Notes then outstanding (such condition, the "Minimum Exchange Condition"). In addition, the consummation of the Offer and Solicitation is conditioned upon, among other conditions, (i) the consummation of a concurrent offering of notes for cash ("the Concurrent Offering") on terms and conditions satisfactory to the Company, yielding net cash proceeds that will be sufficient to redeem in full the Tranche A-2 Senior Secured Notes and to repay in full the loans under the LifeMiles Credit Agreement (each as defined in the Exchange Offer and Consent Solicitation Memorandum), (ii) the redemption in full of the Tranche A-2 Senior Secured Notes, and (iii) the repayment in full of the loans under the LifeMiles Credit Agreement and the release of all of the collateral

securing the LifeMiles Credit Agreement (such condition, the "Financing Condition"). This press release does not constitute an offer to sell, or the solicitation of an offer to buy, the notes issued pursuant to the Concurrent Offering, and the Concurrent Offering will be made only by and pursuant to the terms of a separate offering memorandum.

The Company may waive, in its sole discretion, any of the conditions to the consummation of the Offer and Solicitation, including but not limited to the Minimum Exchange Condition and Financing Condition, subject to applicable law.

The Company reserves the right to amend or terminate, at any time, the Offer and Solicitation and to not accept for exchange any Existing Notes not theretofore accepted for exchange. The Company will give notice of any amendments or termination if required by applicable law.

If you do not exchange your Existing Notes or if you tender Existing Notes that are not accepted for exchange, they will remain outstanding. If the Company consummates the Offer and Solicitation, the trading market for your outstanding Existing Notes may be significantly more limited. In addition, if the proposed amendments to the indenture governing the Existing Notes become operative, all holders of the Existing Notes will be bound by the amendments, whether or not such holder delivered a Consent. For a discussion of this and other risks, see "Risk Factors" in the Exchange Offer and Consent Solicitation Memorandum.

For a description of the terms of the New Notes, see the Exchange Offer and Consent Solicitation Memorandum.

If and when issued, the New Notes will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or any state securities laws. Therefore, the New Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws.

The Offer and Solicitation is being made, and the New Notes are being offered and issued only (1) to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act, in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof, and (2) outside the United States, to persons other than "U.S. persons" (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act. Only holders who have submitted a duly completed and returned electronic Eligibility Letter certifying that they are within one of the categories described herein are authorized to receive and review the Exchange Offer and Consent Solicitation Memorandum and to participate in the Offer and Solicitation (such holders, "Eligible Holders").

Deutsche Bank Securities Inc., Citigroup Global Markets Inc. and J.P. Morgan Securities LLC are acting as lead dealer managers and solicitation agents (the "Dealer Managers and Solicitation Agents") for the Offer and Solicitation.

For further information about the Offer and Solicitation, please contact D.F. King & Co., Inc., the information and exchange agent (the "Information and Exchange Agent") by telephone at

+1 (212) 269-5550 or +1 (800) 297-1746 (toll free) or by email at avianca@dfking.com. Holders may request a copy of the Exchange Offer and Consent Solicitation Memorandum by completing an Eligibility Letter by contacting the Information and Exchange Agent, or via the following website <https://www.dfking.com/avianca>.

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

Neither the delivery of this announcement, the Offer and Solicitation Documents nor any exchange pursuant to the Offer and Solicitation shall under any circumstances create any implication that the information contained in this announcement or the Offer and Solicitation Documents is correct as of any time subsequent to the date hereof or thereof or that there has been no change in the information set forth herein or therein or in the Company's affairs since the date hereof or thereof.

This press release is qualified in its entirety by the Offer and Solicitation Documents. This press release is for informational purposes only and does not constitute an offer or an invitation to participate in the Offer and Solicitation. The Offer and Solicitation is being made pursuant to the Offer and Solicitation Documents, copies of which will be delivered to holders of the Existing Notes, and which set forth the complete terms and conditions of the Offer and Solicitation. Eligible Holders are urged to read the Exchange Offer and Consent Solicitation Memorandum carefully before making any decision with respect to their Existing Notes. The Offer and Solicitation is not being made to, nor will the Company accept exchanges of Existing Notes from holders in any jurisdiction in which it is unlawful to make such an offer.

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. These statements include, but are not limited to, all statements other than statements of historical facts contained in this Exchange Offer and Consent Solicitation Memorandum, including those that relate to our current expectations and views of future events. The words "believe," "may," "should," "would," "aim," "estimate," "anticipate," "intend," "will," "expect," "plan" and similar words are intended to identify forward-looking statements. Except as required by law, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

View original content: <https://www.prnewswire.com/news-releases/avianca-group-announces-exchange-offer-for-any-and-all-of-its-9-000-tranche-a-1-senior-secured-notes-due-2028-and-related-consent-solicitation-302351233.html>

SOURCE Avianca Group International Limited