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Avianca Group Announces Pricing of US\$1 billion aggregate principal amount of its new 9.625% Senior Secured Notes due 2030

BOGOTA, Colombia, Feb. 3, 2025 /PRNewswire/ -- Avianca Group International Limited today announced that on January 30, 2025, its subsidiary Avianca Midco 2 PLC (the "Company") priced an offering of U.S.\$1,000,000,000 aggregate principal amount of its 9.625% Senior Secured Notes due 2030 (the "New Notes").

The Company intends to use the net proceeds from the offering of the New Notes to redeem in full its 9.000% Tranche A-2 Senior Secured 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 (the "LifeMiles Facility"), 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.

In addition, on January 28, 2025, the Company announced that as of the early participation date for its previously announced exchange offer for any and all of its outstanding 9.000% Tranche A-1 Senior Secured Notes due 2028 (the "Tranche A-1 Exit Notes") for its newly issued 9.000% Senior Secured Notes due 2028 (the "Exchange Notes" and, together with the New Notes, the "Notes") and solicitation of consents of the holders of the Tranche A-1 Exit Notes, 99.74% of the aggregate principal amount of the outstanding Tranche A-1 Exit Notes had been validly tendered for exchange. Upon consummation of the exchange offer and solicitation, substantially all of the restrictive covenants with respect to the Tranche A-1 Exit Notes will be eliminated and all of the guarantees of and the collateral securing the Tranche A-1 Exit Notes will be released.

Consummation of the offering of the New Notes and the exchange offer and solicitation, expected to occur on February 14, 2025 subject to certain closing conditions, will grant the Company an improved covenant package. The Notes will provide for additional collateral with liens on the assets of the LifeMiles loyalty program. In addition, upon a refinancing of the Exchange Notes, the Company will have flexibility under the New Notes to eliminate certain supplemental collateral subject to compliance with an asset coverage ratio.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and may not be offered or sold in the [United States](#) absent registration or an applicable exemption from registration requirements. The Notes are being offered to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act.

This press release shall not constitute an offer to sell, or a solicitation of an offer to purchase, the Notes, and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful. This press release is being issued pursuant to and in accordance with Rule 135c under the Securities Act.

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, 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.

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