ABRA GROUP LIMITED
(England, United Kingdom)

Condensed Consolidated Financial Statements

As of September 30, 2023 and December 31, 2022, and for the three and nine months ended September 30, 2023

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Abra Group Limited
Condensed Consolidated Statements of Financial Position as of September 30, 2023
(In USD thousands)

	Notes	Abra Consolidated as of September 30, 2023	Predecessor as of December 31, 2022
Current Assets			
Cash, cash equivalents and restricted cash	6	$ 921,253	$ 816,720
Financial investments	17	244,381	44,843
Trade and other receivables, net of expected credit losses	7	250,982	233,753
Inventories		97,300	88,578
Deposits and other assets	9	34,188	36,547
Prepayments		9,661	15,258
Recoverable taxes	12	228,053	176,255
Other current assets	16	16,584	28,169
Total current assets		**$ 1,802,402**	**$ 1,440,123**
Non-Current Assets			
Deposits	9	125,742	81,267
Financial investments	17	116,601	19,000
Receivables from related parties	8	1,200,509	-
Trade and other receivables, net of expected credit losses	7	97,044	87,054
Property and equipment, net	11	3,620,270	2,671,909
Goodwill	10	1,524,638	1,524,638
Other intangible assets	10	1,324,484	1,368,548
Deferred tax assets	12	41,420	27,397
Equity investment in GOL	17	793,134	-
Total non-current assets		**8,843,842**	**5,779,813**
Total Assets		**$ 10,646,244**	**$ 7,219,936**

Abra Group Limited
Condensed Consolidated Statements of Financial Position as of September 30, 2023
(In USD thousands)

	Notes	Abra Consolidated as of September 30, 2023	Predecessor as of December 31, 2022
Current Liabilities			
Loans and financing	15	94,692	80,413
Leases	15	253,469	132,630
Accounts payable		487,935	429,884
Payables to related parties	8	196	42
Salaries, wages and benefits		93,393	81,687
Air traffic liability		692,747	589,825
Frequent flyer deferred revenue		157,645	165,165
Provisions	13	46,841	52,646
Taxes payable	12	37,763	10,103
Other current liabilities		66,814	61,517
Total current liabilities		**1,931,495**	**1,603,912**
Non-Current Liabilities			
Loans and financing	15	3,480,619	2,306,831
Leases	15	2,088,471	1,464,961
Salaries, wages and benefits		60,405	40,221
Mileage program		274,737	289,847
Provisions	13	740,049	553,986
Deferred taxes	12	144,782	155,681
Other non-current liabilities		93	100
Total non-current liabilities		**6,789,156**	**4,811,627**
Equity (deficit)			
Common shares		2,243,921	1,347,811
Accumulated losses		(238,304)	(349,216)
Warrants		166,672	-
Other comprehensive income		(264,546)	(210,337)
Equity attributable to owners of the Company		**1,907,742**	**788,258**
Non–controlling interest (NCI)		**17,851**	**16,139**
Total liabilities and equity		**$ 10,646,244**	**$ 7,219,936**

Abra Group Limited
Condensed Consolidated Statement of Comprehensive Income (Loss) for the nine and three months ended September 30, 2023 and 2022
(In USD thousands)

	Notes	Abra Consolidated for the three months ended September 30, 2023	Predecessor for the three months ended September 30, 2022	Abra Consolidated for the nine months ended September 30, 2023	Predecessor for the nine months ended September 30, 2022
Operating revenue					
Passenger		**$** 1,114,805	**$** 908,862	**$** 2,932,688	**$** 2,285,734
Cargo and other		166,678	219,711	550,648	676,786
Total operating revenue	18	**$ 1,281,483**	**$ 1,128,573**	**$ 3,483,336**	**$ 2,962,520**
		-	-		
Aircraft fuel		$ 367,135	$ 393,296	$ 1,026,271	$ 1,100,570
Salaries, wages and benefits		143,017	101,599	386,524	320,913
Depreciation and amortization	11	124,824	104,943	333,229	235,098
Ground operations		124,315	100,677	345,494	287,496
Selling expenses		90,832	84,719	270,516	236,263
Flight operations & passenger services		109,046	88,897	292,723	252,984
Maintenance and repairs		45,640	49,125	133,339	129,229
Other operating expenses		70,068	110,918	296,998	380,161
Total operating costs and expenses		**$ 1,074,877**	**$ 1,034,174**	**$ 3,085,094**	**$ 2,942,714**
Operating income (loss)		**206,606**	**94,399**	**398,242**	**19,806**
Financial income (expenses)					
Financial income		$ 84,432	$ 7,767	$ 163,158	$ 12,979
Financial expenses		(167,394)	(106,023)	(429,648)	(298,083)
Derivative financial instruments & equity method income	17	(59,582)	-	726	421
Total financial income (expenses)		**$ (142,544)**	**$ (98,256)**	**$ (265,764)**	**$ (284,683)**
Income (loss) before exchange rate variation, net and income tax and social contribution		**$ 64,062**	**$ (3,857)**	**$ 132,479**	**$ (264,877)**
Monetary and foreign exchange rate variation, net		(6,381)	(3,543)	(3,216)	(4,563)
Income (loss) before income tax and social contribution		**$ 57,681**	**$ (7,400)**	**$ 129,263**	**$ (269,440)**
Income tax and social contribution					
Current	12	(13,262)	978	(30,095)	(28,445)
Deferred	12	14,476	451	22,184	(754)
Total income (loss) taxes		**$ 1,214**	**$ 1,429**	**$ (7,911)**	**$ (29,199)**

Abra Group Limited
Condensed Consolidated Statement of Comprehensive Income (Loss) for the nine and three months ended September 30, 2023 and 2022
(In USD thousands)

	Notes	Abra Consolidated for the three months ended September 30, 2023	Predecessor for the three months ended September 30, 2022	Abra Consolidated for the nine months ended September 30, 2023	Predecessor for the nine months ended September 30, 2022
Net income (loss) for the period from continuing operations		**$ 58,895**	**$ (5,971)**	**$ 121,352**	**$ (298,639)**
		-	**-**		**-**
Loss from discontinuing operations	14	512	1,979	(6,654)	(9,776)
Equity investment earnings (loss)		(14,621)	-	(14,621)	-
Net income (loss) for the period		**$ 44,786**	**$ (3,992)**	**$ 100,077**	**$ (308,415)**
Other comprehensive income					
Items that will not be reclassified to income or loss in future periods:					
Revaluation of administrative property		-	35	27	35
Remeasurements of defined benefit		(43,219)	9,489	(39,824)	43,932
Equity investments at FVOCI - net change in fair value		-	-	(19,000)	-
Income tax		1,757	(149)	1,716	(1,545)
		$ **(41,462)**	$ **9,375**	$ **(57,081)**	$ **42,422**
Items that will be reclassified to income or loss in future periods:		-	-		
Effective portion of changes in fair value of hedging instruments		(559)	(6,337)	(559)	(6,531)
Net change in fair value of financial assets with changes in OCI		(37)	(622)	170	(2,065)
Foreign operations — foreign currency translation differences		375	625	3,433	-
		(221)	**(6,334)**	**3,044**	**(8,596)**
Other comprehensive income (loss), net of income tax		**(41,683)**	**3,041**	**(54,037)**	**33,826**
Total comprehensive income (loss), net of income tax		$ **3,103**	$ **(951)**	$ **46,040**	$ **(274,589)**
Income (loss) attributable to:					
Equity holders of the parent		43,744	(4,907)	96,287	(307,143)
Non–controlling interest		1,042	915	3,790	(1,272)
Net income (loss)		$ **44,786**	$ **(3,992)**	$ **100,077**	$ **(308,415)**
Total comprehensive income attributable to:					
Equity holders of the parent		1,869	(1,673)	42,078	(269,415)
Non–controlling interest		1,234	722	3,962	(5,174)
Total comprehensive income (loss)		$ **3,103**	$ **(951)**	$ **46,040**	$ **(274,589)**

Abra Group Limited
Condensed Consolidated Statement of Changes in Equity
(In USD thousands)

	Abra Consolidated for the nine months ended September 30, 2023						
	Common shares	**Other comprehensive Income**	**Other Equity**	**Accumulated Losses**	**Equity attributable to owners of the Company**	**Non-controlling interest**	**Total equity (1)**
Balance at December 31, 2022	$1,347,811	$ (210,337)	$ -	$ (349,216)	$ 788,258	$ 16,139	$ 804,397
Net Income (loss)	-	-	-	97,515	97,515	3,790	101,305
Net Income (loss) - GOL	(14,621)	-	-	-	(14,621)	-	(14,621)
Avianca Shares	102,976	-	-	-	102,976	-	102,976
Eliminations		-	-	-	-	-	-
Sale of Subsidiary	-	-	-	-	-	(2,250)	(2,250)
Investment in GOL	807,755	-	-	-	807,755	-	807,755
Warrants	-	-	166,672	-	166,672	-	166,672
Reverse acquisition adjustments	-	-	-	13,622	13,622	-	27,243
Other comprehensive income for the period	-	(54,209)	-	-	(54,209)	170	(54,039)
Balance at September 30, 2023 (1) (Unaudited)	**$2,243,921**	**$ (264,546)**	**$166,672**	**$ (238,079)**	**$ 1,907,967**	**$ 17,849**	**$ 1,925,816**

(1) Due to rounding, immaterial differences exist between the totals above and the related financial statements.

Abra Group Limited
Condensed Consolidated Statement of Changes in Equity (In USD thousands)

	For the nine months ended September 30, 2022						
	Common shares	**Share premium**	**Other comprehensive Income**	**Accumulated Losses**	**Equity attributable to owners of the Company**	**Non-controlling interest**	**Total equity**
Balance at December 31, 2021	**$ 4**	**$ 1,145,962**	**$ 14,954**	**$ (12,563)**	**$ 1,148,357**	**$ 14,543**	**$ 1,162,900**
Net loss	-	-	-	(311,290)	(311,290)	(1,272)	(312,562)
Other comprehensive income	-	-	37,728	-	37,728	(3,902)	33,826
Balance at September 30, 2022 (Unaudited)	**$ 4**	**$ 1,145,962**	**$ 52,682**	**$ (323,853)**	**$ 874,795**	**$ 9,369**	**$ 884,164**

Abra Group Limited
Consolidated Statement of Cash Flows
(In USD thousands)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from operating activities:		
Net Income (loss) for the period	**$ 100,077**	**$ (308,415)**
Adjustments for:		
Provision for expected credit losses	1,336	1,193
Provision for expandable spare parts and suppliers' obsolescence	1,528	968
Recovery of provisions for legal claims	(2,603)	(1,430)
Depreciation and amortization	333,231	235,098
Disposal assets	(1,907)	1,033
Loss on sale subsidiary	6,654	-
Interest income	(39,378)	(12,979)
Interest expense	377,073	298,072
Deferred tax	(22,184)	754
Derivative instruments	275	1,814
Current tax expense	30,095	28,445
Unrealized foreign currency (gain) loss	(21,099)	(3,559)
Changes in:		
Trade and other receivables	(11,090)	(36,242)
Changes in current assets (without receivables and liquid assets)	(133)	-
Changes in accrued and deferred assets	(96,202)	-
Expendable spare parts and supplies	(10,250)	(17,371)
Prepayments	5,549	7,092
Net current tax	33,137	(37,319)
Deposits and other assets	(41,744)	(52,163)
Accounts payable and accrued expenses	20,018	(46,157)
Changes in other short-term liabilities	2,256	-
Changes in accrued and deferred liabilities	26,050	-
Air traffic liability	102,922	107,911
Frequent flyer deferred revenue	(22,630)	(32,182)
Provisions for return conditions	(398)	-
Provisions for legal claims	(6,594)	4,615
Employee benefits	(21,717)	(44,398)
Income tax paid	(39,841)	(63,365)
Fuel Hedging paid	(3,304)	(9,999)
Net cash provided by (used in) operating activities	**699,127**	**21,416**

Abra Group Limited
Consolidated Statement of Cash Flows
(In USD thousands)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash flows from investing activities:		
Acquisition of property and equipment	$ (222,989)	$ (194,618)
Reimbursement of equipment acquisition	25,860	55,070
Acquisition of short-term investments	(228,454)	(5,081)
Acquisition of investments in financial instruments	-	(75,956)
Reimbursement of short-term investments	29,542	-
Loans granted related parties	-	(24,344)
Acquisition of intangible assets	(13,089)	(11,730)
Interest received	22,845	6,378
Proceeds from sale of property and equipment	31,784	348,611
Disposal of discontinued operations net of cash disposed	4,506	-
Unrecognized loss from equity investment	14,621	-
Cash and cash equivalents disposed	(4,011)	(6,352)
Net cash (used in) provided by investing activities	**(339,385)**	**91,978**
Cash flows from financing activities:		
Proceed from debt issuance	550,029	-
Borrowings	(342,009)	-
Payments of liabilities associated with assets held for sale	-	(317,667)
Share issuance	-	-
Proceeds from loans and borrowings	11,500	-
Repayment of loans and borrowings	(244,582)	(133,016)
Interest paid	(230,787)	(165,475)
Net cash (used in) provided by financing activities	**(255,849)**	**(616,158)**
Net increase (decrease) in cash and cash equivalents	103,893	(502,764)
Exchange rate effect on cash	640	746
Cash and cash equivalents at the beginning of the period	816,720	1,282,988
Cash and cash equivalents at the end of the period	**$ 921,253**	**$ 780,970**

(1) Reporting entity

Abra Group Limited ("Abra" or the "Company") is a company incorporated and existing under the laws of England and Wales as of February 18, 2022, with registered office at 3rd Floor 1 Ashley Road, Altrincham, Cheshire, England, WA14 2DT. Abra, together with its subsidiaries, will be referred to as the "Group" for the purposes of this Consolidated Condensed Interim Financial Statements.

The Company was owned exclusively by Comporte Participações S.A., an affiliate of Mobi Fundo de Investimento em Ações Investimento no Exterior ("Mobi"), the then controlling shareholder of GOL Linhas Aéreas Inteligentes ("GOL").

Abra was incorporated with the objective of effecting the business combination of GOL and Investment Vehicle 1 Limited, the parent company of the Avianca Airlines ("Avianca") and resulting in the formation of a regional airline carrier group that operates in the Latin American, North American, European and Caribbean aviation markets and owning, controlling and operating airlines in such markets.

In May 2022, a Master Contribution Agreement ("MCA") among Avianca's principal shareholders, Avianca, and GOL's controlling shareholders was executed. The MCA governs the contribution of equity stakes by the controlling shareholders of GOL and shareholders of Avianca. In the MCA, the controlling shareholders of GOL, and the principal shareholders of Avianca committed to contribute their shares in GOL and Avianca to Abra in exchange for newly issued shares of Abra. The valuation of GOL and Avianca was contractually agreed under the MCA and used as a basis for the equity contributions and calculation of the number of Abra shares to be issued under the MCA.

On March 2, 2023, Mobi, the controlling shareholder of GOL, contributed all of its GOL shares (the "Mobi GOL Shares") in equal parts to two limited liability partnerships in which Abra holds substantially all the economic interests (the "Abra LLPs"). In exchange for the contribution of the Mobi GOL Shares to the Abra LLPs, Mobi received newly issued Abra shares. The Mobi GOL Shares represent 100% of the voting stock and 52.8% of the economic interest of GOL. The remaining outstanding stock of GOL, which was not part of the Abra transaction, are composed of non-voting preferred stock of GOL mostly held by minority shareholders in the free float publicly traded on B3 S.A. – Bolsa, brasil, Balcão, a stock exchange in Brazil ("B3") and on the New York Stock Exchange ("NYSE") in the form of American Depositary Shares ("ADSs"). As a result of the contribution of the Mobi Gol Shares, Mobi's equity stake in Abra increased to 746,954,625 ordinary shares at an agreed value of $746,954,625. Upon closing of the transactions under the MCA, GOL was controlled by the Abra LLPs, which, in turn, are controlled by the former controlling shareholders of GOL and Avianca.

In March 2023, Abra Global Finance, a Cayman subsidiary of Abra, issued US$960 million Abra senior secured notes due 2028 (the "Abra SSN") and US$458 million in Abra senior secured exchangeable notes due 2028 (the "Abra SSEN").

Except for US$100 million of cash retained at Abra, all proceeds of the Abra SSEN and the Abra SSN were invested in or earmarked to be invested in GOL through a senior secured note (the "GOL SSN"), secured by a first priority lien on the brand, intellectual property, customer lists, trademarks, and the primary platform and infrastructure related contracts of GOL's loyalty program Smiles, and a pari passu lien on the intellectual property, brand and spare parts securing the GOL 8.0% SSNs due 2026. In the context of this transaction, Abra contributed to GOL for cancellation US$1.1 billion in principal amount of various series of GOL bonds acquired by Abra as part of the Abra bond issuance. No proceeds from the Abra bond issuances were used for Avianca.

The Abra SSEN and the Abra SSN are secured by a first priority lien on the GOL ESSN, and by a first priority lien on the equity interests that Abra holds in GOL and Avianca.

On April 3, 2023, Abra consummated the contribution and exchange of shares with Avianca, pursuant to which Avianca's shareholders representing 100% of the outstanding capital stock of Avianca contributed their shares to Abra, in exchange for the issuance of 1,557,455,605 shares of Abra common with an agreed value of $1,557,455,605. The former shareholders of Avianca hold the majority of shares in Abra post contribution, and as such Avianca is considered the acquirer of Abra in the business combination transaction. Accordingly, the historical financials of Avianca are presented as Abra's historical financial statements.

Up to September 29, 2023, the GOL issued $1,258,031 thousand, in the form of SSN 2028, whose fair value at initial recognition amounted to $1,343,181 thousand. Since the transaction was conducted with Abra, the difference between the face value of the debt and the fair value was recognized directly in equity.

On the same date, GOL converted $1,180,442 thousand of SSN 2028 into Exchangeable Senior Secured Notes 2028 ("ESSNs 2028"), which may be converted into GOL preference shares by Abra and are subject to certain conditions precedent, which may or may not be met. The SSNs 2028 converted into ESSNs 2028 had a carrying amount of $1,279,570 thousand. These changes were assessed in accordance with CPC 48 – "Financial Instruments," equivalent to IFRS 9, and met the criteria for derecognition of the liability of the SSNs 2028, with the extinguishment of the original financial liability and recognition of a new financial liability for the ESSNs 2028.

The ESSNs 20"8 issued on September 29, 2023, have the same maturity date and interest payment terms as the previously existing SSNs. In the context of this transaction, the Company issued a total of 1,008,166,796 subscription bonuses for preferred shares of the Company's issuance, with 991,951,681 subscribed for the purpose of future conversion of the ESSNs 2028.

As a result of the Abra LLPs structure in place governing the control of GOL, although Abra indirectly owns 52.8% of the economic interest in GOL, it does not have control over GOL. As such, consolidation of GOL is prohibited. However, Abra does have significant influence over GOL and has consequently included GOL in the Abra financial statements as an equity investment, recording its investments in GOL and a proportional share of GOL earnings during the period since the business combination with Avianca.

However, for informational purposes management has included in Footnote 2 a pro forma presentation that included the combination of GOL and Avianca for the nine months ended September 30, 2023.

As Abra results during the nine-month period ended September 30, 2023, represent historical Avianca results in addition to the equity in earnings from GOL since the closing of the Abra Transaction on April 3, 2023, Management, Discussion and Analysis of the results of operations of Abra during the nine-month period ended September 30, 2023, is incorporated by reference into this document from GOL's and Avianca's public filings which can be located on the following investor relations websites:

- GOL Investor Relations
- Avianca Investor Relations

GOL

GOL is a publicly-held corporation incorporated under laws of Brazil. GOL's bylaws states that the corporate purpose is exercising the equity control of GOL Linhas Aéreas S.A. ("GLA"), which provides scheduled and non-scheduled air transportation services for passengers and cargo, maintenance services for aircraft and components, develops frequent-flyer programs, among others.

GOL's shares are traded on B3 under the ticker GOLL4 and on the NYSE under the ticker GOL in the form of preferred stock and ADSs respectively. GOL is listed on the Level 2 segment of corporate governance practices of B3 and is part of the Special Corporate Governance ("IGC") and Special Tag Along ("ITAG") indexes, created to distinguish companies that commit to special corporate governance practices.

GOL's official headquarters are located at Praça Comandante Linneu Gomes, s/n, portaria 3, prédio 24, Jardim Aeroporto, São Paulo, Brazil.

Economic Interest in GOL

In May 2022, GOL announced that its controlling shareholder, MOBI, had entered into the MCA for the formation of Abra. Additionally, in accordance with the MCA, the controlling shareholders of GOL and Avianca agreed to enter into a shareholders' agreement to govern their rights and obligations as shareholders of Abra. GOL and Avianca will continue to operate independently and maintain their respective brands and cultures.

GOL is controlled by the Abra LLPs, which were formed prior to closing of the Abra Transaction and are controlled by Kingsland and Mobi. Each of the Abra LLPs holds 50% of the voting stock in GOL. Abra holds 99.99% of the economic rights in both of the Abra LLPs, which in turn holds 100% of the voting stock of GOL and receive 52.8% of GOL's total economic return.

The closing of the Abra Transaction did not result in a change of control of GOL. The controlling shareholder of GOL, Mobi, prior to closing remains as a controlling shareholder and currently shares control of GOL with Kingsland through the Abra LLPs.

Abra's investment in GOL is accounted for under the equity method. See footnotes 3 and 17 for more details.

Avianca

The operating companies under Avianca provide domestic and international passenger and cargo transportation as well as related services such as loyalty program and *courier*, both within the Colombian and Ecuadorian domestic markets as well as through international routes serving North, Central and South America, Europe, and the Caribbean. Avianca is the leading airline in Colombia, Ecuador, Central America and has one of the largest airline operations in Latin America. Since 2012, Avianca has been a member of Star Alliance, one of the world's largest global airline alliances, which provides Avianca's customers with access to the routes, destinations, and services of the extensive Star Alliance network.

Investment Vehicle 1 Limited, a Cayman Islands company tax resident in England and Wales, is the parent company of the Avianca group. IV1L was formed as part of a corporate reorganization of Avianca through a Chapter 11 proceeding on December 1, 2021 (the "Avianca Chapter 11 Emergence Date"). Avianca

Group International Limited was the parent company of the Avianca Group from the Avianca Chapter 11 Emergence Date until March 31, 2022.

Transfer of Avianca shares to Abra

On April 3, 2023, the parties to the MCA consummated the Abra Transaction, pursuant to which all IV1L shareholders contributed, transferred, and delivered to Abra all their interests in IV1L in exchange for newly issued Abra shares. As a result of the Abra Transaction, Abra became the sole shareholder of Avianca.

While Abra legally acquired Avianca, Avianca is the accounting acquirer of this transaction due to its relative size and relative control over the combined entity. As such, the transaction has been accounted for as a reverse acquisition, and the accompanying financial statements are those of Abra, but represent a continuation of the financial statements of Avianca. Under IFRS, the legal capital of the accounting acquirer must be restated throughout these consolidated financial statements to reflect the legal capital of accounting acquiree.

Because the consolidated financial statements represent the continuation of the financial statements of the legal subsidiary except for its capital structure, the consolidated financial statements reflect the assets and liabilities of the accounting acquirer measured at their pre-combination carrying amounts and the assets and liabilities of the accounting acquiree, Abra, measured at fair value in accordance with IFRS 3. As of the reverse acquisition date, retained earnings and other equity balances of the accounting acquirer, Avianca, are presented at the stated value immediately prior to the business combination. Lastly, the amount recognized as issued equity interests is determined by adding the outstanding issued equity interest of the accounting acquirer immediately before the business combination to the fair value of the accounting acquiree.

In accounting for the reverse acquisition between Avianca and Abra, a fair valuation of Abra's assets and liabilities was not performed due to the nature thereof. Pre-combination assets were comprised of cash, related party receivables, debt and equity interests and. The equity interests and intercompany receivables were assumed immediately prior to the reverse acquisition; as such, the stated value is deemed to be equal to the fair value. Similarly, because the debt presented on Abra's balance sheet was issued on March 2, 2023, the fair value is assumed to be equal to its fair value on the date of the reverse acquisition, April 3, 2023.

Under IFRS 3, prior-year comparative financial statements are required to reflect the assets, liabilities and equity of both the accounting acquirer and legal acquirer entities. Comparative information presented in the consolidated financial statements also is retroactively adjusted to reflect the legal capital of the legal parent (accounting acquiree). Because the reverse acquisition between Abra and Avianca did not occur until April 2, 2023, the prior-year comparative periods presented herein reflect the financial statements of Avianca only.

Significant subsidiaries

The following are Abra's significant subsidiaries included within these condensed consolidated interim financial statements:

Subsidiary Name	Country of Incorporation	Ownership Interest %	
		2023	2022
Abra Group Platform Services S.L.U	Spain	100%	0%
Abra Global Finance	Cayman Islands	100%	0%
Investment Vehicle 1 Limited	Cayman Islands	100%	0%
Abra Group Platform Services LLC	US	100%	0%
Avianca Ecuador S.A.	Ecuador	99.62%	0%
Aerovías del Continente Americano S.A. (Avianca)	Colombia	99.98%	0%
Avianca Leasing, LLC	US	100%	0%
Grupo Taca Holdings Limited.	Bahamas	100%	0%
LifeMiles Ltd.	Bermuda	100%	0%
Avianca Costa Rica S.A.	Costa Rica	92.42%	0%
Taca International Airlines, S.A.	El Salvador	96.83%	0%
Tampa Cargo S.A.S.	Colombia	100%	0%
Regional Express Américas S.A.S.	Colombia	100%	0%
Aero Transporte de Carga Unión, S.A. de C.V.	México	92.70%	0%

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

Avianca has entered into a number of bilateral codeshare 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, United Airlines, Copa Airlines, Silver Airways, Iberia, Lufthansa, ITA Airways, All Nippon Airways, Singapore Airlines, Eva Airways, Air China, Etihad Airways, Turkish Airlines, Air India, Azul Linhas Aéreas Brasileiras, GOL Linhas Aéreas Inteligentes, TAP, Clic.

In addition, Avianca and Taca International are members of Star Alliance, as well as Avianca Ecuador and Avianca Costa Rica, as there "*Connected Entities*", respectively. This gives customers access to the destinations and services offered by the Star Alliance network. Star Alliance members include several of the world's most recognized airlines, including Lufthansa, United Airlines, Thai Airways, Air Canada, TAP and Singapore Airlines, among others.

As of September 30, 2023, and December 31, 2022, Avianca's total fleet is comprised of:

	As of September 30, 2023			As of December 31, 2022		
Aircraft	**Owned**	**Lease**	**Total**	**Owned**	**Lease**	**Total**
Airbus A-319	—	10	**10**	—	19	**19**
Airbus A-320	—	77	**77**	1	71	**72**
Airbus A-320 NEO	—	39	**39**	—	21	**21**
Airbus A-330	1	5	**6**	1	3	**4**
Airbus A-330F	—	6	**6**	—	6	**6**
Airbus A-300F	3	—	**3**	3	—	**3**
Boeing 787-8	—	16	**16**	—	13	**13**
Boeing 767F	2	—	**2**	2	—	**2**
	6	**153**	**159**	**7**	**133**	**140**

For the nine-month period ended September 30, 2023, Avianca finalized lease agreements for nine (9) A319, five (5) A320 and sold one (1) A320 Owned. Avianca also added eleven (11) A320, three (3) B787-8 and eighteen (18) A320 NEO aircraft under leasing and signed a leasing arrangement for two (2) A330.

Also, during that period, three (3) B787-8, two (2) A319 and one (1) A320 previously under finance leases contract changed to operating leases contract. Lastly, Avianca extended the lease agreement for three (3) A319 and the operating lease agreement of one (1) A330 Wet Lease.

The reclassification of 6 finance leases contract, previously presented under the label "owned/financial lease" have been presented under the label "lease" to the consolidated financial statements 2022 to conform to the current period presentation.

While not included in the Consolidated Financial Statements, GOL's fleet is presented below for reference:

	As of September 30, 2023			As of December 31, 2022		
Aircraft	**Owned**	**Lease**	**Total**	**Owned**	**Lease**	**Total**
737-700 NG	-	19	**19**	-	21	**21**
737-800 NG	-	78	**78**	-	89	**89**
737-800 NG Freighters	-	5	**5**	-	-	**-**
737-MAX 8	-	39	**39**	-	34	**34**
Total	**-**	**141**	**141**	**-**	**144**	**144**

For the nine-month period ended June 30, 2023, GOL's total fleet was 141 Boeing 737 aircraft, of which 97 were NGs, 39 were MAXs, and 5 were Cargo NGs. The Company's fleet is 100% composed of medium-sized aircraft (narrowbodies), with 97% financed via operating leases and 3% financed via finance leases.

(2) Pro-Forma Financial Statements

The financial statements herein present GOL as if the transaction between Abra and GOL had occurred on January 1, 2023. For the purpose of the pro-forma financials, the date of the reverse acquisition between Avianca and Abra remains April 2, 2023. Because Abra ultimately expects to control GOL and Avianca, the following combined pro-forma financials are presented for informational purposes only. The pro-

forma adjustments applied are estimated based on the value of consideration paid for GOL and the estimated fair value of GOL's assets acquired and liabilities assumed. Additional adjustments have also been applied for consolidation purposes. Consolidation adjustments are inclusive of elimination of related party debt, equity, and the equity investment in GOL. The ultimate values will be determined once the transaction to acquire the control of GOL is completed. Note that the functional currency for GOL is Brazilian Reals; the following financials are presented in Abra's functional currency, USD.

Abra Group Limited
Pro-Forma Consolidated Statements of Financial Position as of September 30, 2023
(In USD thousands)

	Abra Consolidated	GOL	Pro-Forma Adjustments and eliminations for consolidation purposes	Pro-Forma Consolidated as of September 30, 2023
Current Assets				
Cash, cash equivalents and restricted cash	$ 921,253	$ 104,469	$ -	$ 1,025,722
Financial investments	244,381	76,242	-	320,623
Trade and other receivables, net of expected credit losses	250,982	208,629	-	459,611
Inventories	97,300	87,658	(7,628)	177,330
Deposits and other assets	34,188	55,430	-	89,618
Prepayments	9,661	77,360	-	87,021
Recoverable taxes	228,053	46,161	-	274,214
Other current assets	16,584	50,796	-	67,380
Total current assets	**$ 1,802,402**	**$ 706,745**	**$ (7,628)**	**$ 2,501,519**
Non-Current Assets				
Deposits	125,742	481,911	-	607,653
Financial investments	116,601	17,730	-	134,331
Equity investment in GOL	793,134		(793,134)	-
Trade and other receivables, net of expected credit losses	97,044	-	-	97,044
Receivables from related parties	1,200,509	-	(1,200,509)	-
Property and equipment, net	3,620,270	1,804,513	(192,481)	5,232,302
Other intangible assets	2,849,122	379,595	6,215,140	9,443,857
Deferred tax assets	41,420	18,116	-	59,536
Other non-current assets	-	143,360	(20,192)	123,168
Total non-current assets	**$ 8,843,842**	**$ 2,845,225**	**$ 4,008,824**	**$ 15,697,891**
Total assets	**$ 10,646,244**	**$ 3,551,970**	**$ 4,001,196**	**$ 18,199,411**

Abra Group Limited
Pro-Forma Consolidated Statements of Financial Position as of September 30, 2023
(In USD thousands)

	Abra Consolidated	GOL	Pro-Forma Adjustments and eliminations for consolidation purposes	Pro-Forma Consolidated as of September 30, 2023
Current Liabilities				
Loans and financing	$ 94,692	$ 230,066	$ -	$ 324,758
Leases	253,469	360,002	243,336	856,807
Accounts payable	487,935	431,177	-	919,112
Payables to related parties	196	-	-	196
Salaries, wages and benefits	93,393	133,880	-	227,273
Air traffic liability	692,747	800,928	-	1,493,675
Frequent flyer deferred revenue	157,645	317,852	-	475,497
Provisions	46,841	107,495	-	154,336
Taxes payable	37,763	37,106	-	74,869
Other current liabilities	66,814	66,317	299,545	432,676
Total current liabilities	**$ 1,931,495**	**$ 2,794,980**	**$ 542,881**	**$ 5,269,356**
Non-Current Liabilities				
Loans and financing	$ 3,480,619	$ 1,850,646	$ (870,374)	$ 4,460,891
Leases	2,088,471	1,598,621	-	3,687,092
Salaries, wages and benefits	60,405	106,257	-	166,662
Mileage program	274,737	34,425	-	309,162
Provisions	740,049	577,424	-	1,317,473
Deferred taxes	144,782	8,026	-	152,808
Other non-current liabilities	93	861,793	(680,837)	181,049
Total non-current liabilities	**$ 6,789,156**	**$ 5,037,192**	**$ (1,551,211)**	**$ 10,275,137**
Equity (deficit)				
Common shares	2,243,921	771,614	(771,614)	2,243,921
Retained earnings (losses)	(238,304)	(5,170,728)	5,801,333	392,300
Other equity	166,672	-	-	166,672
Other comprehensive income	(264,546)	-	-	(264,546)
Equity attributable to owners of the Company	**$ 1,907,742**	**$ (4,399,114)**	**$ 5,029,719**	**$ 2,538,347**
Non–controlling interest (NCI)	**$ 17,851**	**$ 118,912**	**$ (20,192)**	**$ 116,571**
Total liabilities and equity	**$ 10,646,244**	**$ 3,551,970**	**$ 4,001,196**	**$ 18,199,411**

Abra Group Limited
Pro-Forma Consolidated Statement of Comprehensive Income (Loss) for the three months ended September 30, 2023
(In USD thousands)

	Abra Consolidated	GOL	Pro-Forma Adjustments and Eliminations	Pro-Forma Consolidated for the three months ended September 30, 2023
Operating revenue				
Passenger	$ 1,114,805	$ 867,770	$ -	$ 1,982,575
Cargo and other	166,678	84,207	-	250,885
Total operating revenue	**$ 1,281,483**	**$ 951,977**	**$ -**	**$ 2,233,460**
	-	-	-	-
Aircraft fuel	$ 367,135	$ 287,504	$ -	$ 654,639
Salaries, wages and benefits	143,017	84,305	-	227,322
Depreciation and amortization	124,824	86,676	1,136	212,636
Ground operations	124,315	47,139	-	171,454
Selling expenses	90,832	46,649	-	137,481
Flight operations & passenger services	109,046	166,967	-	276,013
Maintenance, materials and repairs	45,640	52,730	6,937	105,307
Other operating expenses	70,068	12,273	(60,327)	22,014
Total operating costs and expenses	**$ 1,074,877**	**$ 784,243**	**$ (52,254)**	**$ 1,806,866**
Operating income (loss)	**$ 206,606**	**$ 167,734**	**$ 52,254**	**$ 426,594**
Financial income (expenses)	-	-	-	-
Financial income	$ 84,432	$ 10,227	$ -	$ 94,659
Financial expenses	(167,394)	(229,354)	(8,281)	(405,029)
Derivative financial instruments & equity method income	191	171	-	362
Total financial income (expenses)	**$ (82,771)**	**$ (218,956)**	**$ (8,281)**	**$ (310,008)**
Income (loss) before exchange rate variation, net and income tax and social contribution	**$ 123,835**	**$ (51,222)**	**$ 43,973**	**$ 116,586**
Monetary and foreign exchange rate variation, net	(6,381)	(196,690)	-	(203,071)
Income (loss) before income tax and social contribution	**$ 117,454**	**$ (247,912)**	**$ 43,973**	**$ (86,485)**
Income tax and social contribution	-	-	-	-
Current	(13,262)	(4,089)	-	(17,351)
Deferred	14,476	(4,846)	-	9,630
Total income (loss) taxes	**$ 1,214**	**$ (8,935)**	**$ -**	**$ (7,721)**
Net Income (loss) for the period from continuing operations	**$ 118,668**	**$ (256,847)**	**$ 43,973**	**$ (94,206)**
Loss from discontinuing operations	512	-	-	512
Non-controlling interest	-	118,912	(20,192)	98,720
Equity investment earnings	(74,394)	-	74,394	-
Net Income (loss) for the period	**$ 44,786**	**$ (137,935)**	**$ 98,175**	**$ 5,026**

Abra Group Limited
Pro-Forma Consolidated Statement of Comprehensive Income (Loss) for the nine months ended September 30, 2023

	Abra Consolidated	GOL	Pro-Forma Adjustments and Eliminations	Pro-Forma Consolidated for the nine months ended September 30, 2023
Operating revenue				
Passenger	$ 2,932,688	$ 2,496,857	$ -	$ 5,429,545
Cargo and other	550,648	243,865	-	794,513
Total operating revenue	**$ 3,483,336**	**$ 2,740,722**	**$ -**	**$ 6,224,058**
Aircraft fuel	$ 1,026,271	$ 903,866	$ -	$ 1,930,137
Salaries, wages and benefits	386,524	316,351	-	702,875
Depreciation and amortization	333,229	245,861	1,163	580,253
Ground operations	345,494	136,704	-	482,198
Selling expenses	270,516	128,756	-	399,272
Flight operations & passenger services	292,723	304,371	-	597,094
Maintenance, materials and repairs	133,339	163,699	4,642	301,680
Other operating expenses	296,998	110,242	(32,242)	374,998
Total operating costs and expenses	**$ 3,085,094**	**$ 2,309,850**	**$ (26,437)**	**$ 5,368,507**
Operating income (loss)	**$ 398,242**	**$ 430,872**	**$ 26,437**	**$ 855,551**
Financial income (expenses)				
Financial income	$ 163,158	$ 65,789	$ -	$ 228,947
Financial expenses	(429,648)	(607,975)	(16,435)	(1,054,058)
Derivative financial instruments & equity method income	726	(708)	-	18
Total financial income (expenses)	**$ (265,764)**	**$ (542,894)**	**$ (16,435)**	**$ (825,093)**
Income (loss) before exchange rate variation, net and income tax and social contribution	**$ 132,479**	**$ (112,022)**	**$ 10,002**	**$ 30,459**
Monetary and foreign exchange rate variation, net	(3,216)	95,301		92,085
Income (loss) before income tax and social contribution	**$ 129,263**	**$ (16,721)**	**$ 10,002**	**$ 122,544**
Income tax and social contribution				
Current	(30,095)	(7,188)	-	(37,283)
Deferred	22,184	(951)	-	21,233
Total income (loss) taxes	**$ (7,911)**	**$ (8,139)**	**$ -**	**$ (16,050)**
Net Income (loss) for the period from continuing operations	**$ 121,352**	**$ (24,860)**	**$ 10,002**	**$ 106,494**
Loss from discontinuing operations	(6,654)	-	-	(6,654)
Non-controlling interest	-	11,734	(4,721)	7,013
Equity investment earnings	(14,621)	-	14,621	-
Net Income (loss) for the period	**$ 100,077**	**$ (13,126)**	**$ 19,902**	**$ 106,853**

(3) Basis of presentation of the Condensed Consolidated Interim Financial Statements

Professional Accounting Standards Applied

Statement of compliance

The Condensed Consolidated Interim Financial Statements for the nine-month period ended September 30, 2023, have been prepared in accordance with IAS 34 interim Financial Reporting and should be read in conjunction with Abra's last annual consolidated financial statements as at and for the year ended December 31, 2022.

The Condensed Consolidated Interim Financial Statements as of and the nine-month period ended September 30, 2023, 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 Abra's financial position and performance since the Consolidated Financial Statements for the period ended December 31, 2022.

Abra's condensed consolidated financial statements as of September 30, 2023, and December 31, 2022, and for the nine-month period ended September 30, 2022, were prepared, and presented by Management and authorized for issuance by the Audit Committee on December 8, 2023.

Fuel price risk

Avianca´s operations require a significant volume of jet fuel purchases. Whereas jet fuel price increased following a 28.5% escalation, during the third quarter, Avianca has implemented several measures to address price increases that could result from potential macroeconomic headwinds and unexpected catastrophic events.

These measures include maintaining healthy unit revenues supported by strong demand and a continued effort to optimize capacity, allowing the company to focus on improving profitability and preserving cash.

In addition, in September 2023 Avianca purchased opportunistic call options with Jet Fuel – Jet 54 Gulf Coast (PIPELINE) as an underlying asset to cover the fuel consumption for the September to November 2023 period, enabling the Company to protect against fuel price increases and volatility. Avianca spent $3,304 in premiums related to said fuel call options during the third quarter ended September 30, 2023.

Sensitivity analysis

Fuel price fluctuation impacts on profit and/or loss are illustrated below. This analysis shows the estimated impact for 2023 of a 5%, 10% and 15% increase in the underlying reference price per barrel at the end of September 2023, with a projected consumption of 130 million gallons. The projection period was defined since October until the end of 2023. This analysis assumes that all other variables remain constant and considers the effect of changes in jet fuel price.

	Effect in Income or loss
5% movement	(20,609)
10% movement	(41,219)
15% movement	(61,828)

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), defined benefit plan assets, and short-term investments that have been calculated at fair value.

Functional and presentation currency

The Condensed Consolidated Interim Financial Statements are presented in US Dollars, the functional currency for each legal entity within Abra. Items included within the financial statements of each entity are measured using said functional currency.

Use of judgments and estimates

The preparation of IFRS compliant Condensed Consolidated Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may therefore differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized accordingly.

In preparing these consolidated financial statements, significant judgments were made by Abra's management when applying Abra's accounting policies, and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended December 31, 2022. However, the current environment generates uncertainty and complexity in the estimate's calculation.

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 concentrated in the months of February, March, and May. Given the proportion of fixed costs, Abra expects operating results to continue to fluctuate on a quarterly basis. This information is provided to improve the understanding of the Company's results. However, management has concluded that this does not constitute "highly seasonal" as defined by IAS 34.

(4) Significant account policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the Avianca´s consolidated financial statements as of and for the year ended December 31, 2022.

The policy for recognizing and measuring income taxes in the interim period is disclosed in Note 12 and is consistent with that applied in the comparative interim period except for the changes outlined below:

Deferred tax related to assets and liabilities arising from a single transaction

Abra has applied this IAS12 amendment early, as of December 31, 2022.

Global minimum top-up tax

Abra has adopted International Tax Reform- Pillar Two Model Rules- Amendments to IAS 12 upon their released-on 23 May 2023. The amendments provide a temporary mandatory exemption from deferred tax accounting for top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from December 31, 2023. The mandatory exemption applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted as of December 31, 2022, in any jurisdiction in which Abra operates and no related deferred taxes were recognized at that date, the retrospective application has no impact on Abra´s condensed consolidate interim financial statements.

The relief and the new disclosures will also be reflected in Abra´s consolidated financial statements as of and for the year ending December 31, 2023.

Equity method of accounting

Abra applies the equity method of accounting to investments when it has significant influence, but not controlling interest, in the investee. Judgment regarding the level of influence over each equity method investment includes considering key factors such as ownership interest, representation on the board of directors, participation in policy-making decisions and material intercompany transactions. Abra's proportionate share of the net income (loss) resulting from these investments is reported under the line item captioned "equity investment earnings (loss)" in our Consolidated Statement of Comprehensive Income.

Abra's equity method investments are reported at cost and adjusted each period for Abra's share of the investee's income or loss and dividend paid, if any. If applicable, Abra classifies distributions received from equity method investments using the cumulative earnings approach on the consolidated statements of cash flows. Abra applies the cost method of accounting to investments when it does not have significant influence or a controlling interest in the investee and the fair value of the investment is not readily determinable. Dividends on cost method investments received are recorded as income.

Abra assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable.

Because Abra has only one investment accounted for under the equity method, the carrying value of our equity method investment is reported as "equity investment in GOL" on the Consolidated Statements of Financial Position. Note 17 contains additional information on our equity method and cost method investments.

New and amended standards, interpretations and amendments adopted by Abra

Abra initiated the application of certain standards and amendments to standards, effective for those reporting periods subsequent to January 1, 2023, with no material impact in the financial statements. Abra has applied the IAS12 amendment early.

(5) New and amended standards, interpretations and amendments adopted

Abra initiated the application of certain standards and amendments to standards, effective for those reporting periods subsequent to January 1, 2023, with no material impact in the financial statements.

- Definition of accounting estimates (Amendments to IAS 8),
- Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2),
- Deferred Taxes related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

Standards issued but not yet effective

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (amendments to IAS 1)

Modifies the requirement to classify a liability as current by establishing that a liability is classified as current when "at the end of the reporting period it does not have the right to defer the settlement of the liability for at least the following twelve months."
Clarifies within paragraph 72A of IAS 1 that "the right of an entity to defer the settlement of a liability for at least twelve months after the reporting period must be substantial and, as paragraphs 73 to 75 illustrate, must exist at the end of the reporting period."

This amendment is effective as of January 1, 2024.

Lease Liability in a Sale and Leaseback (amendments to IFRS 16)

The amendments confirm the following:

On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. Abra will need to apply the amendments retrospectively to sale-and- leaseback transactions entered into or after the date of initial application of IFRS 16.

This amendment is effective as of January 1, 2024.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments to IFRS 10 and IAS 28 address those situations wherein there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method are recognized within the parent company's profit or loss only to the extent of the unrelated investors' interests in said associate or joint venture. Similarly, gains and losses resulting from the reassessment of investments retained within

any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized within the former parent company's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of said amendments has yet to be established by the IASB. However, prior application of the amendments is permitted in the year.

(6) Cash, cash equivalents and restricted cash

	September 30, 2023	December 31, 2022
Cash on hand and bank deposits	$874,112	$729,136
Cash equivalents (1)	26,125	48,372
Cash and cash equivalents	**$900,237**	**$777,508**
Restricted cash (2)	21,016	39,212
Cash, cash equivalents and restricted cash	**$921,253**	**$816,720**

(1) As of September 30, 2023, Investment Funds accrued an average annual interest rate of 11.76% in Colombian pesos (December 31, 2022: 7.2%); time deposits accrued annual interest at 3.8% in Costa Rican pesos (December 31, 2022: 4.35%) and between 2% and 6.2% in U.S. (December 31, 2022: 1% and 6%); and CDTs (Colombian time deposits) accrued annual interest rates at 14.33% in Colombian pesos (December 31, 2022: 11.19%). The use of term deposits depends on the Company's cash requirements during the period.

(2) Abra restricted cash related to amounts that are restricted at Avianca to cover events or claims. Avianca has access to these funds through specific instructions provided to the broker and bank guarantee collaterals. These funds are intended to support the guarantees that JP Morgan Bank and Citibank NY Bank provide to third parties who require them from Avianca S.A. for fulfilling contracts or providing operational services.

(7) Trade receivables, net of expected credit losses

Trade and other receivables, net of expected credit losses	September 30, 2023	December 31, 2022
Trade	$ 341,204	$ 314,530
Employee advances	4,644	3,346
Other	14,844	11,667
Total	**$ 360,692**	**$ 329,543**
Less estimate for expected credit losses (1)	$ (12,666)	$ (8,736)
Total	**$ 348,026**	**$ 320,807**
Net current	$ 250,982	$ 233,753
Net non-current	97,044	87,054
Total	**$ 348,026**	**$ 320,807**

Trade receivables are non-interest bearing.

(1) Estimates for expected credit losses as of September 30, 2023, and December 31, 2022, are as follows:

	September 30, 2023	December 31, 2022
Balance at beginning of year	$ 8,736	$ 3,784
Provision for expected credit losses	3,930	4,952
Total	**$ 12,666**	**$ 8,736**

(8) Receivables from Related Parties

As of September 30, 2023, Abra reported payables to related parties of $196 (as of December 31, 2022: $42) and receivables from related parties of $1,200,509 (as of December 31,2022: $0).

		As of September 30, 2023	
Company	**Country**	**Receivables**	**Payables**
Corporación Hotelera Internacional S.A	Colombia	$ —	$ 194
Hotelería Internacional S.A	Colombia	—	2
Gol Linhas Aéreas Inteligentes (1)	Brazil	1,200,509	—
Total		**$ 1,200,509**	**$ 196**

(1) As of March 2, 2023, Abra recorded Senior Secured and Senior Secured Exchangeable Notes of $960,000 and $458,000, respectively, maturing on March 2, 2028. Senior Secured and Senior Secured Exchangeable Notes have respective interest rates of 8% and 18%. Of the borrowings, Abra advanced $1,048,000 to GOL recording a GOL SSN Receivable. As of September 30, 2023, Abra's receivable is equal to $1,200,509.

		December 31, 2022	
Company	**Country**	**Receivables**	**Payables**
Corporación Hotelera Internacional S.A	Colombia	$ —	$ 40
Others	Colombia	—	2
Total		**$ 0**	**$ 42**

(9) Deposits and other assets

Deposits and other assets as of September 30, 2023, and December 31, 2022, are as follows:

	September 30, 2023	December 31, 2022
Current:		
Deposits and other assets:		
Deposits with lessors (1)	$ 1,815	$ 2,718
Guarantee deposits (2)	9,964	15,958
Commission (3)	12,800	13,946
Others (5)	7,139	3,925
Subtotal	**31,718**	**36,547**
Fair value of derivative instruments	2,470	—
Total	**34,188**	**36,547**
Non-current:		
Deposits with lessors (1)	$ 63,790	$ 51,745
Guarantee deposits (2)	31,042	9,265
Labor lawsuits (4)	23,382	12,796
Others (5)	172	—
Long term investments	7,356	7,461
Subtotal	**125,742**	**81,267**
Total	$ **159,930**	$ **117,814**

(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, and lawsuit deposits.
(3) Corresponds to travel agency commissions.
(4) Corresponds to court deposits to guarantee civil and labor lawsuits, which remain in court until the resolution of the disputes to which they are related.
(5) Corresponds mainly to aeronautical policies and other deposits.

(10) Intangible assets and goodwill, net

Intangible assets and goodwill, net of amortization, are as follows:

	September 30, 2023	December 31, 2022
Trademarks	$ 644,141	$ 644,141
Customer relationships	437,708	457,152
Software and webpages	90,497	100,016
Agreements (Codeshare and Star Alliance)	59,711	65,173
Routes	82,921	92,561
Slots	9,506	9,505
Subtotal	**1,324,484**	**1,368,548**
Goodwill	1,524,638	1,524,638
Total Intangible Assets	**$ 2,849,122**	**$ 2,893,186**

The following provides detail on intangible assets and goodwill as of September 30, 2023:

	Goodwill	Routes	Customer Relationships	Agreements	Trademarks	Software & Webpages	Slots	Total
Cost:								
December 31, 2022	**$ 1,524,638**	**$ 106,792**	**$ 485,218**	**$ 73,025**	**$ 644,141**	**$ 135,298**	**$ 9,506**	**$ 2,978,618**
Additions	—	—	—	—	—	14,493	—	14,493
September 30, 2023	**$ 1,524,638**	**$ 106,792**	**$ 485,218**	**$ 73,025**	**$ 644,141**	**$ 149,791**	**$ 9,506**	**$ 2,993,111**
Accumulated Amortization:								
December 31, 2022	**$ -**	**$ 14,231**	**$ 28,066**	**$ 7,852**	**$ -**	**$ 35,282**	**$ -**	**$ 85,431**
Amortization	—	9,640	19,444	5,462	—	24,012	—	58,558
September 30, 2023	**$ -**	**$ 23,871**	**$ 47,510**	**$ 13,314**	**$ -**	**$ 59,294**	**$ -**	**$ 143,989**
Carrying Amounts:								
December 31, 2022	**$ 1,524,638**	**$ 92,561**	**$ 457,152**	**$ 65,173**	**$ 644,141**	**$ 100,016**	**$ 9,506**	**$ 2,893,187**
September 30, 2023	**$ 1,524,638**	**$ 82,921**	**$ 437,708**	**$ 59,711**	**$ 644,141**	**$ 90,497**	**$ 9,506**	**$ 2,849,122**

(11) Property and equipment

The main movements of property and equipment during the period between January 1 and September 30, 2023, are detailed below:

- Flight equipment: The additions during the nine-month period ending September 30, 2023 primarily relate to the recognition of the aircraft leasing rights for $848,227(This amount includes the acquisition of twenty-nine (29) aircraft A320, six (6) B787 aircraft and three (3) spare engines) (nine months ended September 30, 2022: $925,046), new engine TRENT 1000-D2 for $31,508, densification for $43,816 (nine months ended September 30, 2022: $34,985) and Overhaul for $5,258 (nine months ended September 30, 2022: $9,932).

Right of use for return conditions for $133,151 (nine months ended September 30, 2022: $425,650).

The drop-off for $9,998 corresponds mainly to sale and leaseback (nine months ended September 30, 2022: $21,804).

- Capitalized maintenance: During the nine-month period ending September 30, 2023, the additions correspond to major repairs (overhaul) for engines, fuselage and an auxiliar power unit (APU) in the amount of $66,491 (nine months ended September 30, 2022: $60,594) and payments of the Total Care Life Agreement in the amount of $39,675.

- Other property and equipment: During the nine-month period ending September 30, 2023, the main additions correspond to non-aeronautical leasing for $11,445 (nine months ended September 30, 2022: $177), projects $8,239 (nine months ended September 30, 2022: $13,766), tools and other assets in the amount of $1,855 (nine months ended September 30, 2022: $2,555).

Reimbursement of equipment acquisition

During the nine-month period ending September 30, 2023, the equipment acquisition reimbursement was $25,860 (nine months ended September 30, 2022: $55,070).

	Flight Equipment	Capitalized Maintenance	Rotable Spare Parts	Pre-Delivery Payments	Admin	Others	Total
Cost							
December 31, 2022	**$2,152,749**	**$ 98,137**	**$214,206**	**$88,687**		**$184,215**	**$2,835,567**
Additions	932,694	107,113	44,182	11,882	—	21,589	1,117,522
ROU Return Conditions,	133,151	—	—	—	—	—	133,151
Disposals	(9,998)	(9,802)	(18,175)	—	—	(18,307)	(56,282)
Revaluation (OCI)	—	—	—	—	27	—	27
Transfers	28,283	2,490	(24,370)	(1,000)	(5,404)	1	—
September 30, 2023	**$3,236,879**	**$ 197,938**	**$215,843**	**$ 99,569**	**$92,196**	**$187,560**	**$4,029,985**
Accumulated depreciation:							
December 31, 2022	**$ 116,994**	**$133**	**$10,554**	**—**	**$ 1,419**	**$34,558**	**$ 163,658**
Additions	237,124	13,065	6,986	—	1,176	16,322	274,673
Disposals	(3,494)	(9,832)	(3,586)	—	—	(11,704)	(28,616)
Transfers	3,012	(2,387)	(630)	—	—	5	—
September 30, 2023	**$ 353,636**	**$979**	**$13,324**	**—**	**$ 2,595**	**$39,181**	**$ 409,715**
Net balances:							
December 31, 2022	**$2,035,755**	**$ 98,004**	**$203,652**	**$ 88,687**	**$96,154**	**$149,657**	**$2,671,909**
September 30, 2023	**$2,883,243**	**$ 196,959**	**$202,519**	**$ 99,569**	**$89,601**	**$148,319**	**$3,620,270**

(12) Income tax expense and other taxes

	September 30, 2023	December 31, 2022
Current income tax – assets	$ 173,909	$ 83,637
Current VAT – assets	42,158	85,821
Other current taxes	11,986	6,797
Total current tax – assets	**$ 228,053**	**$ 176,255**
Current income tax – liabilities	**$ (37,763)**	**$ (10,103)**

Income tax expense for the nine-month period ended September 30, 2023, is comprised of the following:

Consolidated statement of comprehensive income

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Current income tax:		
Current income tax charge	$ (30,095)	$ (28,445)
Deferred tax expense:		
Relating to origination and reversal of temporary differences	22,184	(754)
Income tax expense reported in the income statement	$ **(7,911)**	$ **(29,199)**

In addition to the amount charged to income or loss, the following amounts relating to tax have been recognized in other comprehensive income:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Items that will not be reclassified to income or loss in future periods - Remeasurements of defined benefit	**$** 1,716	**$** (1,545)

Changes in deferred tax assets and deferred tax liabilities

Deferred tax assets		
As of December 31, 2022	$	**27,397**
Recognized in income and loss		12,128
Recognized in other comprehensive income		1,710
Exchange differences		185
As of September 30, 2023	**$**	**41,420**
Deferred tax liabilities		
As of December 31, 2022	**$**	**155,681**
Recognized in profit and loss		(10,056)
Recognized in other comprehensive income		(6)
Exchange differences		(837)
As of September 30, 2023	**$**	**144,782**

Reconciliation of the Tax Rate in accordance with the Tax Provisions and the Effective Rate:

The consolidated income before income tax amounted to $103,103 for the nine-month period ended September 30, 2023 (nine months ended September 30, 2022: $269,440 loss) and the income tax expense amounted to $7,911 (nine months ended September 30, 2022: $29,199). The effective tax rate for the period nine months ended September 30, 2023, was 7.7% (nine months ended September 30, 2022: 10.8%), decreasing the income. The corporate income tax rate in Colombia during the nine months ended September 30, 2023, was 35% (nine months ended September 30, 2022: 35%). The difference between the corporate income tax rate and the effective tax rate is generated by subsidiaries with net losses in some jurisdictions in which deferred tax assets are not recognized due to the fact that it is not probable that taxable incomes will be available against which the deductible temporary differences can be utilized.

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	28%
El Salvador	30%
Guatemala	25%
Honduras	25%
México	30%
Nicaragua	30%
Panamá	25%
United States	21%

(*) Profit on ordinary activities at the standard rate of corporation tax at the legal entity level in the UK is 19%. The Finance Act 2021 was substantially enacted in May 2021 and has increased the corporation tax rate in the United Kingdom from 19% to 25% with effect on April 1, 2023.

Uncertainty over income tax treatments

Abra 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 Abra identified in the assessments performed.

Global minimum top-up tax

On October 8, 2021, 136 countries reached an agreement for a two-pillar approach to international tax reform. Specifically, Pillar Two Global Anti-Base Erosion Rules propose four new taxing mechanisms under which multinational enterprises would pay a minimum level of tax: the subject to tax rule, a tax treaty-based rule that generally proposes a minimum tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax; the income inclusion rule; the undertaxed payments rule; and the qualified domestic minimum top-up tax, which generally propose a minimum tax on the income arising in each jurisdiction in which Abra operates. The implementation of these new rules in the UK is expected from January 2024.

Abra operates in several jurisdictions, but it has been determined that the UPE (Ultimate Parent Entity) is located in the UK. The UK has yet to enact legislation to implement the global minimum top-up tax. Nevertheless, Abra has already started the analysis of its impact focusing primarily on Costa Rica where the Lifemiles business is subject to tax at a statutory rate of 0%. However, and as indicated before, since legislation has not been enacted there is no current tax impact in the period ended September 30, 2023.

Regarding the amendments to IAS 12 (International Tax Reform-Pillar Two Model Rules), since no new legislation to implement the top-up tax was enacted or substantially enacted at 31 December 2022 in any of the jurisdictions where Abra operates, no related deferred taxes were recognized at that date, hence the retrospective application has no impact on Abra's interim financial statements.

(13) Provisions

Provisions for return conditions

For certain operating leases, Avianca is obligated to return aircraft in a contractually predefined condition. Avianca 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 as of September 30, 2023, and December 31, 2022, are as follows:

		September 30, 2023		**December 31, 2022**
Current	$	7,816	$	5,522
Non-current		740,049		553,986
Total	**$**	**747,865**	**$**	**559,508**

Changes in provisions for return conditions as of September 30, 2023, is as follows:

		September 30, 2023		**December 31, 2022**
Beginning balance	$	559,508	$	272,817
Recognition of provisions (1)		175,640		223,481
Recovery of provisions (2)		(42,535)		—
Present value adjustment		55,649		63,210
Provisions used		(397)		—
Ending balance September 30, 2023	**$**	**747,865**	**$**	**559,508**

(1) During the nine months ended September 30, 2023, provisions were established for aircraft which continued under this scheme $175,640 (December 31, 2022: $223,481).

(2) Regarding the Total Care and LifeKey agreements entered into by the operating companies, the lessors, and Rolls Royce, Abra will not have any obligation to make lessor maintenance contributions in respect of engine performance restoration for the engines covered by the agreements.

Provisions for legal proceedings

As of September 30, 2023, Avianca has been involved in various lawsuits and legal actions that arise through normal commercial activities. Of the total lawsuits and legal actions, Management has calculated a probable and eventual loss of $39,025 as of September 30, 2023 (December 31, 2022: $47,124). These lawsuits are reflected in the condensed consolidated interim financial statements position under the "Provision for Legal Claims" section.

Changes in litigation provisions during the nine-month periods ended September 30, 2023, is as follows:

	September 30, 2023	December 31, 2022
Balances at the beginning of the period	$ 47,124	$ 56,278
Provisions constituted	2,887	10,756
Provisions reverse (1)	(5,490)	(12,892)
Lawsuits deposits	(1,655)	(5,435)
Provisions used	(3,841)	(1,583)
Balances at the end of the period	**$ 39,025**	**$ 47,124**

(1) Corresponds mainly to changes in probabilities of contingent liabilities of labor lawsuits.

Certain provisions are contingent liabilities and are therefore classified as potential future obligations and are subsequently categorized as possible. Based on plaintiffs' claims for the periods ended September 30, 2023, these contingencies totaled $175,040 (December 31, 2022: $163,155). Certain losses that could arise from these litigations will be covered by insurance or with funds provided by third parties. The judicial processes resolved with said forms of payment are estimated at $15,592 as of September 30, 2023 (December 31, 2022: $16,447).

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 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 U.S. and non-U.S. anti-corruption laws. In 2018, Avianca revised its policies to prevent said practices from reoccurring. This included 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 Bogota offices. In February 2020, the Office of the Attorney General of Colombia served Avianca with a

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 "does not intend to recommend an enforcement action by the Commission against Avianca Holdings S.A."

To Abra's knowledge and as of the date hereof, the Colombian government's preliminary investigation described above did not result in an indictment. Moreover, Avianca is of the view that the CSC is time-barred from commencing a formal investigation proceeding and should have closed the preliminary investigation, pursuant to applicable law. Formally, no employee or manager related to Avianca has been linked to any investigations conducted by the Colombian authorities in connection with those practices.

Internal Investigation regarding potential impacts at Abra 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 an Avianca "senior executive" in 2014 for an irregular commission payment, which 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 the Company'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 the Company, which, as usual, has been provided under the principle of active collaboration with authorities. Formally, no employee or collaborator related to the company has been linked to the investigations conducted by the Colombian authorities.

The Company has presented itself as an injured party to the Attorney General's Office. Formal recognition as an injured occurs at the indictment hearing if it is reached.

SIC investigation into the acquisition of the Airlines Viva

On December 19, 2022, Colombian Superintendency of Industry and Commerce notified the opening of an investigation against the Colombian airline (i.e., Aerovías del Continente Americano S.A. Avianca) ("Avianca") for alleged gun jumping with regards to the acquisition of economic rights of the Viva airlines which was completed in April 2022 (excluding political rights which were isolated through a trust structure and granted to an independent third party).

The Superintendency argues that the (i) acquisition of economic rights of Viva by Investment Vehicle 1 Limited entails – in and of itself – the acquisition of control, and, thus, required clearance by the Aerocivil; and (ii) separation of political and voting rights is not real.

Remedies for the investigation to be dismissed were offered on January 16, 2023, and defense arguments were filed on January 17, 2023 arguing that (a) the deal was structured on the basis of the hold separate theory that is expressly allowed per Colombian merger control regulations and has been consistently

recognized by antitrust authorities worldwide; and (b) there is evidence of the fact that the airlines have been acting independently, and have not incurred in any collusion or coordination activities.

On May 2, 2023, the Superintendency of Industry and Commerce notified Avianca of the dismissal of the investigation subject to some remedies different to those initially offered by Avianca. On May 16, 2023, Avianca filed a remedy of reconsideration requesting some adjustments to the remedies imposed by the Superintendency (the "Remedy").

On August 23, 2023, the Superintendency of Industry and Commerce notified Avianca of the final and non-appealable decision with respect to the acceptance of the remedies offered by Avianca. Consequently, the investigation has been terminated (the "Final Decision"). On, or around September 7, 2023, as per the Final Decision, Avianca, implemented most of the remedies, including but not limited to: (a) a corporate reorganization with respect to the economic rights of the Viva entities and the shares and economic rights of Rexton Enterprises, S.A.; and (b) a passengers protection plan by providing flight services to customers of the former airline Viva Air until September 2024, under certain specific conditions.

(14) Loss from Discontinuing Operations

Sale of subsidiary Servicios Aeroportuarios Integrados – SAI S.A.S.

AGIL's Board of Directors approved on February 17, 2022, the divestiture of Servicios Aeroportuarios Integrados SAI S.A.S. ("SAI S.A.S."), a subsidiary based in Colombia operating in the air transportation segment, which represented 0.1% of assets and 0.2% of operating revenues in the consolidated financial statement. Therefore, SAI S.A.S. was presented as a disposal group held for sale as of December 31, 2022.

On February 1, 2023, AGIL's Board of Directors executed the sale of SAI S.A.S.; as a result of the transaction, the Company lost control and ceased to consolidate the financial statements of this subsidiary.

The following is a summary of the movements in the financial statements due to the sale and the corresponding loss of control:

Results of discontinued operation	**2023**
Amount of cash in the company	$ 4,011
Carrying assets, other than cash	17,442
Carrying amount liabilities	(4,494)
Impairment December 31, 2022	(3,549)
Net Assets and liabilities of the subsidiary	**13,410**
Non-controlling interest	(2,250)
Attributable to owners of the subsidiary	**$ 11,160**
Consideration received, satisfied in cash	4,506
Loss on the sale of the subsidiary	**$ (6,654)**

(15) Debt

Abra

In March 2023, Abra Global Finance, a Cayman subsidiary of Abra, issued US$960 million Abra senior secured notes due 2028 (the "Abra SSN") and US$458 million in Abra senior secured exchangeable notes due 2028 (the "Abra SSEN").

Abra SSN Terms

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

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

Abra SSEN Terms

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

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

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

In accordance with the Abra SSEN indenture, each holder of a Abra SSEN note shall have the right, to exchange all or any portion of an Abra SSEN's note at any time prior to its maturity date for one preference share, with a paid-up value of $1,000 USD, per $1,000 USD principal amount of notes, which preference share shall immediately be exchanged by the holder for ordinary shares at an initial exchange rate of 1,000 ordinary shares per $1,000 USD principal amount of preference shares, subject to the adjustments set forth Abra SSEN's indenture.

The Company's current and noncurrent borrowings as of September 30, 2023 and December 31, 2022 are summarized as follows:

	September 30, 2023	December 31, 2022
Current:		
Short-term borrowings and current portion of long-term debt	$ 94,692	$ 80,413
Short-term aircraft rentals - right of use	247,252	126,070
Short-term other rentals - right of use	6,217	6,560
	$ 348,161	**$ 213,043**
Noncurrent:		
Long-term debt	$ 3,480,619	$ 2,306,831
Long-term aircraft rentals - right of use	2,040,476	1,428,632
Long-term other rentals - right of use	47,995	36,329
	$ 5,569,090	**$ 3,771,792**

Terms and conditions of Abra's outstanding obligations for the period ended September 30, 2023, is as follows:

			September 30, 2023	
	Due through	Weighted average interest rate	Nominal Value	Carrying Amount
Long-term debt	2030	9.38%	$ 3,696,377	$ 3,575,311
Aircraft rentals	2035	10.78%	2,496,456	2,287,728
Other rentals	2037	8.02%	54,619	54,212
Total			**$ 6,247,827**	**$ 5,917,251**

			December 31, 2022	
	Due through	Weighted average interest rates	Nominal value	Carrying Amount
Short-term loans	2023	8.51%	$ 6,303	$ 6,303
Long-term debt	2030	8.80%	2,516,402	2,380,941
Aircraft rentals	2034	10.18%	1,675,639	1,554,702
Other rentals	2038	7.16%	44,306	42,889
Total			**$ 4,242,650**	**$ 3,984,835**

Below the detail of the debt balance by type of loan:

	September 30, 2023	December 31, 2022
Corporate	$ 3,575,311	$ 2,387,244
Right of use IFRS 16	2,341,940	1,597,591
	$ 5,917,251	**$ 3,984,835**

Bank guarantees

In order to comply with certain contractual or operating obligations, Avianca has a total of $19,658 and $23,556 in guarantees issued through financial entities as of September 30, 2023, and December 31, 2022, respectively.

Future payments on long-term debt

Following are future payments (amounts are gross and undiscounted and include contractual interest payments while excluding the impact of netting agreements).

Corporate debt

	Years					
	One	Two	Three	Four	Five and later	Total
September 30, 2023	$ 218,211	$ 306,537	$ 198,943	$ 194,227	$ 3,212,598	$ 4,130,516
December 31, 2022	$ 213,361	$ 316,107	$ 233,658	$ 187,727	$ 2,098,438	$ 3,049,291

Aircraft rights of use

	Years					
	One	Two	Three	Four	Five and later	Total
September 30, 2023	$ 467,843	$ 120,696	$ 461,777	$ 442,493	$ 1,996,181	$ 3,488,990
December 31, 2022	$ 298,499	$ 304,852	$ 310,504	$ 295,411	$ 1,033,413	$ 2,242,679

Other rights of use

	Years					
	One	Two	Three	Four	Five and later	Total
September 30, 2023	$ 9,046	$ 5,721	$ 5,451	$ 5,034	$ 45,809	$ 71,061
December 31, 2022	$ 3,927	$ 4,999	$ 4,129	$ 3,891	$ 64,072	$ 81,018

Changes in liabilities derived from financing activities as of September 30, 2023

	January 1, 2023	New Loans (1) & (2)	New leases (3) & (4)	Financial cost	Payments (5) & (6)	Interest Payments (6)	Others	Reclass	September 30, 2023
Short-term loans (excluding items listed below)	6,303	-	-	76	(6,303)	(76)	-	-	-
Current portion of long-term credits (excluding items listed below)	74,110	11,500	31,508	164,575	(106,957)	(126,455)	(264)	46,675	94,692
Non-current portion long-term debt	2,306,831	1,208,095	-	-	-	-	381	(34,688)	3,480,619
Aircraft rentals– right of use	1,554,702	-	850,310	150,542	(130,560)	(124,798)	(481)	(11,987)	2,287,728
Other rentals – right of use	42,889	-	2,163	4,274	(2,765)	(2,544)	10,195	-	54,212
Total liabilities from financing activities	**$3,984,835**	**$1,219,595**	**$883,981**	**$ 319,467**	**$(246,585)**	**$(253,873)**	**$ 9,831**	**$ -**	**$5,917,251**

(1) Corresponds to a new loan, at a fixed rate of 13%, to enable Abra to purchase certain Locations for Passenger Accommodations (LOPA) aligned with the Densification project for $11,500.
(2) Corresponds to Senior Secured and Senior Secured Exchangeable Notes of $690M and $458M at fixed rates of 8% and 18% (plus interests accrued), respectively, less warrants of $0.2M. Notes mature March 2, 2028.
(3) The main additions in leases for the nine months ended September 30, 2023, correspond to aircraft rentals for the lease of thirty-five (35) operating aircraft of the families A320 (29) and B787 (6) and three (3) spare engines for a total of $831,201 and additions of incremental rent for a $19,109 and the financial lease of one (1) TRENT 1000-D2 for $31,508.
(4) The additions in other rentals for the nine months ended September 30, 2023, correspond to the new Avianca Hangar, in El Dorado International Airport, lease at a rate of 8.03%.
(5) 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.
(6) In July 2023, the Company voluntarily prepaid the entire principal and interest balance of $ 54,500 related to the USAVFLOW Facility.

(16) Other Current Assets

Other current assets for the periods ended September 30, 2023, and December 31, 2022, are as follows:

	September 30, 2023	December 31, 2022
Assets held for sale (1)	$ 12,076	$ 26,067
Defined benefit assets, net (2)	3,198	2,102
Other	1,310	—
Total	**$ 16,584**	$ **28,169**

(1) Assets held for sale

	September 30, 2023	December 31, 2022
Airbus aircraft (A)	$ 12,076	$ 16,430
Disposal group held for sale	-	9,637
Total assets held for sale	**$ 12,076**	$ **26,067**

(A) Certain Abra subsidiaries classified as held for sale two (2) aircraft, (one (1) A330 and one (1) A320), and three (3) engines to be sold during 2023. During the year 2023, (1) One engine and (1) aircraft A320 were sold.

(2) Employee benefits

Avianca sponsors defined benefit pension plans, which require contributions to be made to separately administered funds. Avianca also provides certain additional post-employment benefits. These benefits are unfunded as of September 30, 2023. 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.

In 1993, the pension plan in Colombia changed from a defined benefit plan to a defined contribution plan. The Colombian government defined a transition regime to maintain the conditions of pilots and co-pilots included in the pension plan prior to April 1, 1994; this transition regime is administered by CAXDAC. According to the above, Avianca's obligation for post-employment of the subsidiaries in Colombia is recognized and is mainly regulated by Law 860 of 2003, Decree 2210 of 2004, and Decree 1269 of 2009.

According to Law 860 of 2003 and Decree-Law 1282 and 1283 of 1994, Avianca must transfer the value of their actuarial calculation to the CAXDAC pension fund and will have until the year 2023 to make such payments. From this date, CAXDAC will become the responsible party for the obligation, and until then, Avianca is responsible for the obligation.

The Assets Plan is managed by CAXDAC and corresponds to the transfers paid by Avianca S.A. and Tampa Cargo S.A.S. in accordance with Colombian regulation.

As of September 30, 2023, the CAXDAC defined benefit obligation corresponds to a short-term obligation that should be commuted at the end of 2023, in accordance with Decrees 1282 and 1283 of 1994 issued by the "Ministerio de Trabajo". The actuarial obligation must be commuted using a discount rate of 4%, as per Decrees 2783 of 2001, and 1730 of 2001 issued by the "Presidencia de la República de Colombia" and Circular 10 of 2009 issued by the "Superintendencia de Puertos y Transporte".

The other pension plans are measured using a discount rate based on the government bonds of each country in which the respective benefit plan is established.

As of September 30, 2023, the defined benefit liability is comprised of the present value of the defined benefit obligation using a discount rate based on government bonds for each country where the respective benefit plan is established, less the fair value of plan assets out of which the obligations are to be settled.

Under CAXDAC defined benefit obligation, Avianca has two plans related to the subsidiaries Tampa Cargo S.A.S. and Aerovías del Continente Americano S.A. (Avianca). As of September 30, 2023, the transfers to CAXDAC related to the plan of Aerovías del Continente Americano S.A. exceed the present value of Avianca S.A. defined benefit obligation by US$3,198 (December 31, 2022: $2,102), the increase is due to the payments made by Avianca to CAXDAC and the returns generated by the fund. The plan assets will be commuted with the obligation on December 31, 2023, and the obligation will become the responsibility of the CAXDAC pension fund.

Due to the local regulations of two of Avianca's CAXDAC defined benefit plans, Avianca is required to make contributions to a fund that is managed externally.

For the CAXDAC pension plans, the actuarial valuation-indexed discount rate was 4% on September 30, 2023 (December 31, 2022: 4%). For the other pension liability plans and post-retirement medical benefits for Avianca, the discount rate was 10.11% on September 30, 2023 (December 31, 2022: 11.11%). During the nine months ended September 30, 2023, the return and assumptions on CAXDAC plan assets and obligation $32,895 (nine months ended September 30, 2022: $28,016) and the increase in the discount rate on the other pension plans $6,929 (nine months ended September 30, 2022: $71,948) were recognized as a loss in Other Comprehensive Income for $39,824 (nine months ended September 30, 2022: $43,932 profit).

(17) Investments

The following summarizes our investments (dollars in thousands):

	September 30, 2023		December 31, 2022	
	Carrying Amount	Economic Interest	Carrying Amount	Economic Interest
Equity Method Investment				
Gol Linhas Aéreas Inteligentes	$ 793,134	52.8%	$ -	0.00%
Total Equity Method Investments	**$ 793,134**		**$ -**	
Cost Method Investment				
Short-Term investments (1)	$ 244,381		$ 44,843	
Long-Term investments	116,368		19,000	
Total Cost Method Investments	**$ 360,749**		**$ 63,843**	
Total Investments	**$ 1,153,888**		**$ 63,843**	

(1) The short-term classification corresponds to funds invested for terms of less than one year; investments correspond to CDTs and bonds constituted by trusts held by Abra. During the nine months ended September 30, 2023, five (5) Time Deposits were created for $130,000 with City Group Global for a term of 6, 9, and 12 months at an average rate of 4.9%, seven (7) Bonds were created for $40,000 with Bank of America for a term between three (3) and eleven (11) months at an average rate of 5.4% and Government Bonds and Corporate Bonds were created for $27,771 and $15,000 respectively, through Merry Lynch Portfolio.

Equity Method Investment

The following summarizes the (loss) income of equity method investees reflected in the consolidated statements of operations (in thousands):

	September 30, 2023	December 31, 2022
Gol Linhas Aéreas Inteligentes		
Initial investment	$ 807,755	$ -
Undistributed earnings	(14,621)	-
Total	**$ 793,134**	**$ -**

GOL is a publicly held corporation incorporated under laws of Brazil. GOL's bylaws states that the corporate purpose is exercising the equity control of GLA, which provides scheduled and non- scheduled air transportation services for passengers and cargo, maintenance services for aircraft and components, develops frequent-flyer programs, among others.

Abra holds 52.8% of the economic interest in GOL, which gives Abra significant influence over GOL, but not a controlling interest. Abra did not receive dividends from GOL in 2023 or 2022. Abra's ownership in GOL was $807,755 thousand as of September 30, 2023.

As of September 30, 2023, Abra's retained earnings included undistributed earnings from GOL of ($14,621) thousand.

Non-current financial investments

The change in the non-current financial investments designated as at Fair Value Through Comprehensive Income ("FVOCI") during the nine-month period ended September 30, 2023, and the twelve-month period ended December 31, 2022, is as follows:

	2023	2022
Balance at the beginning of the period	**$ 19,000**	**$ -**
Acquisition of investment in equity instrument (1)	-	207,800
Avianca	116,368	
Fair value loss arising during the period (2)	(19,000)	(188,800)
Balance at the end of the period	**$ 116,368-**	**$ 19,000**

Investments in equity instruments designated as at FVOCI are not subject to impairment.

(1) On April 18, 2022, IV1L acquired 100% of the issued and outstanding shares of Rexton. This subsidiary entered into a Right of Use and Enjoyment Agreement (Usufruct Agreement) with West Castle Limited. The agreement grants West Castle Limited the irrevocable right to use and enjoy all voting rights associated with the shares of Rexton, except for the veto rights concerning for special decisions. Regarding this agreement, IV1L does not exercise any control or significant influence over Rexton. Furthermore, this agreement does not affect the economic rights related to these shares, which will remain in IV1L. In accordance with IFRS 9, Avianca designated these investment as at FVOCI.

(2) The fair value of the investment in Rexton was determined based on the discounted cash flow method with significant unobservable inputs (Level 3). Abra engages third party qualified valuers to perform the valuation.

(18) Operating Revenue

Operating revenues for the nine months ended September 30, 2023, are as follows:

	For the three months between July 1 and September 30,				For the nine months ended September 30, 2023			
	2023	**%**	**2022**	**%**	**2023**	**%**	**2022**	**%**
Domestic								
Passenger	$ 477,787	37%	$ 452,594	40%	$ 1,253,274	36%	$ 1,179,047	39%
Ancillaries	130,440	10%	54,956	5%	360,614	10%	135,536	5%
Cargo	77,294	6%	93,730	8%	268,143	8%	287,511	10%
	685,521	**53%**	**601,280**	**53%**	**1,882,031**	**54%**	**1,602,094**	**54%**
International								
Passenger	389,836	31%	359,101	32%	1,021,169	29%	878,235	30%
Ancillaries	116,742	9%	42,211	4%	297,631	9%	92,916	3%
Cargo	76,230	6%	110,216	10%	241,560	7%	328,901	11%
	582,808	**46%**	**511,528**	**46%**	**1,560,360**	**45%**	**1,300,052**	**44%**
Other (1)	13,154	1%	15,765	1%	40,945	1%	60,374	2%
Total	**$ 1,281,483**	**100%**	**$ 1,128,573**	**100%**	**$ 3,483,336**	**100%**	**$ 2,962,520**	**100%**

(1) Other operating income

	For the three months between July 1 and September 30,		For the nine months ended September 30, 2023	
	2023	**2022**	**2023**	**2022**
Frequent flyer program	$ 6,375	$ 7,051	$ 21,821	$ 24,125
Ground operations (a)	1,343	3,756	4,615	9,970
Maintenance	1,301	(384)	6,283	6,043
Leases	197	163	1,599	513
Interline	16	29	40	69
Other (b)	3,922	5,150	6,587	19,654
	$ 13,154	**$ 15,765**	**$ 40,945**	**$ 60,374**

(a) Group provides services to other airlines at main hub airports.

(b) Corresponds primarily to income derived from upgrades, commercial commissions, and additional services.

(19) Key management personnel compensation expense

During the nine-month period ended September 30, 2023, the short-term employee benefits paid to key management personnel were $31,315 (nine months ended September 30, 2022: $19,240), as follows:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Salaries/Bonuses/Cash Benefits	$ 28,133	$ 17,447
Benefits/Social Charges	3,182	1,793
Total	**$ 31,315**	**$ 19,240**

(20) Fair value measurements

The following table provides the fair value measurement hierarchy of Abra's assets and liabilities as of September 30, 2023:

Quantitative disclosures of fair value measurement hierarchy for assets:

	Fair value measurement using			
Assets measured at fair value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets of the benefits plan	$ —	$ 227,238	$ —	$ 227,238
Fuel price derivatives (note 9)	—	2,470	—	2,470
Airbus aircraft and engines held for sale (note 16)	—	12,076	—	12,076
Investments (note 17)	—	244,381	—	244,381
Revalued administrative property (note 11)	—	—	89,601	89,601

Quantitative disclosures of fair value measurement hierarchy for liabilities:

	Fair value measurement using			
Liabilities measured at fair value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Liabilities for which fair values are disclosed				
Short–term borrowings and long–term debt	$ —	$ 2,129,561	$ —	$ 2,129,561

The following table provides the fair value measurement hierarchy of Abra's assets and liabilities as of December 31, 2022:

Quantitative disclosures of fair value measurement hierarchy for assets:

	Fair value measurement using			
Assets measured at fair value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Assets of the benefits plan	$ —	$ 161,633	$ —	$ 161,633
Airbus aircraft and engines held for sale (note 16)		16,430	—	16,430
Investments (note 17)	—	44,843	—	44,843
Revalued administrative property (note 11)	—	—	96,154	96,154

Quantitative disclosures of fair value measurement hierarchy for liabilities:

Liabilities measured at fair value	Fair value measurement using			
	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	$ —	$ 2,155,750	$ —	$ 2,155,750

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, Abra 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) Abra uses the revaluation model to measure the value of its land and buildings, which are comprised of administrative properties. Management has determined that this constitutes one class of asset under IAS 16 based on the nature, characteristics, and risks of the property. Property fair values were determined using market comparable methods. This means that valuations performed by appraisers are based on active market prices, adjusted for differences in the nature, location, or condition of the specific property. Abra 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

	September 30, 2023	
Country	**Valuation technique**	**Significant unobservable entries (In dollars)**
El Salvador	The criteria for valuing the assets object of this offer were the fair value defined by IFRS (international financial reporting standards), as the value that corresponds to the price that would be received for selling an asset or paid to transfer a liability in a transaction, tender, orderly and mutual among duly informed market participants and on a specific date.	Square meter prices: $21 (December 31, 2022: $21,49). Monthly rental value of the entire building: $181,850 (December 31, 2022: $181,850.19)
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.	Expected market rental growth: 5% (December 31, 2022: 5%). Appreciation or depreciation of the Colombian peso against the US dollar: 20% (December 31, 2022: 21%)

(21) Future aircraft leases payments

Avianca has one hundred fifty-two (153) aircraft that are under operating leases for an average lease term of 74 months. Operating leases can be renewed, in accordance with the Administration's business plan. The following is the summary of the future commitments of operating leases:

		Aircraft
Less than one year	$	458,944
Between one and five years		1,405,487
More than five years		1,545,191
	$	**3,409,622**

Under IFRS 16, those leases that are legally denominated operative are recorded within the Consolidated Statement of Financial Position as part of ownership of plant and equipment as flight equipment as well as the recognition of the related financial liability that represents the present value of the minimum payments of the lease contract.

Avianca has twenty-five (25) spare engines that are under operating leases to support its aircraft fleet of A320, B787, A300 and B767 Families. The following is the summary of the future commitments of operating leases:

		Spare Engines
Less than one year	$	8,899
Between one and five years		23,837
More than five years		46,632
	$	**79,368**

The value of payments recognized as expenses during the nine months ended September 30, 2023:

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Leases minimum payments	$ 91,044	$ 190,536

(22) Acquisition of aircraft

In accordance with the agreements in effect, future commitments related to the acquisition of aircraft and engines as of September 30, 2023, are as follows:

	Less than one year	1-3 years	3-5 years	More than 5 years	Total
Aircraft and engine purchase commitments	$ 82,223	$ 1,057,795	$ 1,777,811	$ 1,984,828	$ 4,902,657

Amounts disclosed reflect certain discounts negotiated with suppliers as of the balance sheet date, which discounts are calculated on highly technical bases and are subject to multiple conditions and constant variations. Among the factors that may affect discounts are changes in our purchase agreements, including order volumes.

Abra plans to finance the acquisition of the commitments acquired with the resources generated by Abra and the financial operations that can be formalized with financial entities and aircraft leasing companies.

(23) 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 financial statements.