

Abra Group Limited

Management Discussion and Analysis (MD&A) as of 31 March 2026

A. Background

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. Abra, together with its subsidiaries, will be referred to as the “Group” for the purposes of this Management discussion and Analysis (“MD&A”).

Abra was incorporated with the objective of facilitating the business combination of GOL and Investment Vehicle 1 Limited (“IV1L”), the parent company of Avianca Airlines (“Avianca”), resulting in the formation of a regional airline carrier group. This group operates in the Latin American, North American, European, and Caribbean aviation markets and owns, controls, and operates airlines within these regions.

From March 2023 until June 6, 2025, Abra’s interest in GOL was held through the Abra LLPs. Although Abra held 99.99% of the economic rights in the LLPs, contractual arrangements granted control to the former shareholders. As a result, GOL was accounted for at the Abra level as an equity investment measured at fair value, rather than being consolidated.

On January 25, 2024, GOL filed for Chapter 11 protection in the U.S. Bankruptcy Court for the Southern District of New York, securing USD 950 million in debtor-in-possession (DIP) financing, which was later increased to USD 1 billion, to support ongoing operations. Passenger flights, cargo services, and the Smiles loyalty program continued without interruption. Throughout 2024, GOL renegotiated lease agreements with lessors covering aircraft and spare engines, with approvals granted by the Bankruptcy Court. In November 2024, GOL entered into a Plan Support Agreement with Abra, its affiliates, and major creditor groups, which led to the filing of a restructuring plan in December 2024.

In March 2025, the Bankruptcy Court approved GOL’s disclosure statement and the company executed backstop commitments with Castlake LP and Elliott Investment Management. On June 6, 2025, GOL successfully emerged from Chapter 11, at which point Abra became the controlling shareholder of GOL, and recognize its contribution to the consolidated results from that date.

At emergence, GOL was accounted for at Abra level using the acquisition method under IFRS 3 Business Combinations. The purchase price allocation (PPA) has been determined provisionally at the reporting date, based on management’s best estimates of the fair values of assets acquired and liabilities assumed. The Group expects to finalize the PPA within the 12-month measurement period.

B. Key figures

Abra delivered strong financial results for the first quarter of 2026. Net and operating margins reached 7.8% and 11.4%, respectively, representing a significant improvement compared to the net and operating margin of 3.4% and 11.1% recorded during the same period in 2025.

For the three months ended March 31, 2026, the Group reported operating revenues of US\$ 2,670.3 million, compared to US\$ 1322.6 million for the three months ended March 31, 2025. Passenger revenues increased by US\$1,200.2 million, or 113.7% year-over-year mainly driven by the GOL consolidation. Cargo and other continued performing solidly, generating US\$414.9 million revenues. Total operating expenses were US\$ 2,365.1 million for the three months ended March 31, 2026, compared to US\$ 1,176.4 million for the three months ended March 31, 2025. A significant portion of this variance, representing approximately \$966.3 million of the total change, is attributable to the GOL Consolidation, which contributed to significantly higher operating activity and associated costs. For Avianca, the increase is driven by higher operational activity, reflected in a 3.5% increase in capacity.

Abra continued to strengthen its balance sheet, closing the quarter with US\$1.6 billion in cash and short-term investments. This figure excludes US\$200 million of committed, undrawn Revolving Credit Facility. Total debt amounted to US\$11.2 billion, including short term borrowings, long term debt, lease liability and current portion of lease liability.

Operating revenue

Passenger revenue totaled US\$ 2,255.4 million for the three months ended March 31, 2026, compared to US\$ 1,055.2 million for the three months ended March 31, 2025. The increase in passenger revenue was driven by higher passenger activity and revenue performance in the period, also, \$1056,8 million of the total change, is attributable to the GOL Consolidation.

Cargo and other revenue totaled US\$ 414.9 million for the three months ended March 31, 2026, compared to US\$ 267.4 million for the three months ended March 31, 2025, with an increase of 55.2% resulting from GOL consolidation since June of 2025, as well as improved cargo performance.

Operating expenses

Aircraft fuel for the three months ended March 31, 2026 totaled US\$ 633.6 million, compared to US\$ 342.1 million for the three months ended March 31, 2025. The increase in aircraft fuel expense reflects higher fuel consumption, mainly due to the GOL consolidation, which contributed US\$ 283.0 million and 375,680 gallons of fuel consumed at an into plane of 2.9. For Avianca, an increase of 7.8% in burned gallons volume for passenger and cargo operations and an increase of 11.2% in into plane.

Salaries, wages and benefits expenses for the three months ended March 31, 2026 totaled US\$ 408.6 million, compared to US\$ 203.4 million for the three months ended March 31, 2025, primarily due to the GOL Consolidation, which significantly increased total headcount and operating requirements. For Avianca, expenses reflect the additional personnel required to support a 3.5% increase in capacity compared to the first quarter for 2025.

Ground Operations for the three months ended March 31, 2026 totaled US\$ 267.5 million, compared to US\$ 142.1 million for the three months ended March 31, 2025, mainly due to GOL Consolidation, which contributed 64,736 additional departures and 135,213 block hours, resulting in higher operating costs, also, in Avianca, the increase is consistent with higher operating activity.

Air traffic for the three months ended March 31, 2026 totaled US\$ 118.9 million, compared to US\$ 64.1 million for the three months ended March 31, 2025, mainly is attributable to the GOL Consolidation, which added 64,736 departures and 9.1 million passengers carried, resulting in higher airport related and passenger handling costs. For Avianca, air traffic expense increased by \$19.8 million compared to the same period for 2025, mainly driven by higher airport facilities costs associated with a 5.1% increase in departures, particularly in North America.

Flight operations for the three months ended March 31, 2026 totaled US\$ 39.1 million, compared to US\$ 23.8 million for the three months ended March 31, 2025, mainly due to an increase in pilot travel and training expense due to incremental crews associated with increase in capacity operated. In addition, the effect of GOL consolidation reflecting higher operational costs..

Passenger services for the three months ended March 31, 2026 totaled US\$ 73.5 million, compared to US\$ 28.0 million for the three months ended March 31, 2025, resulting in a 162.5% increase that is attributable to the GOL Consolidation, which added 9.1 million passengers carried and resulted in higher costs related to on board services, handling, cleaning, and flight-attendants cost.

Maintenance and repairs for the three months ended March 31, 2026 totaled US\$ 136.3 million, compared to US\$ 79.7 million for the three months ended March 31, 2025, with an increase of 70.9% mainly due to the GOL consolidation in June 2025, also, higher operational activity, driven by increased block hours across the Avianca network,

Selling expenses for the three months ended March 31, 2026 totaled US\$ 141.2 million, compared to US\$ 49.0 million for the three months ended March 31, 2025. Mainly attributable to the GOL Consolidation, which added higher selling and distribution costs associated with 9.1 million passengers carried, and higher costs due to a 19% increase in sales volume in Avianca.

Fees and other expenses for the three months ended March 31, 2026 totaled US\$ 59.7 million, compared to US\$ 83.7 million for the three months ended March 31, 2025.

Rentals for the three months ended March 31, 2026 totaled US\$ 40.8 million, compared to US\$ 14.6 million for the same period in 2025, mainly driven by driven by higher aircraft and engine rentals associated with increased operational activity, including higher engine utilization.

Depreciation of right of use asset for the three months ended March 31, 2026 totaled US\$ 326.1 million, compared to US\$ 104.7 million for the same period in 2025. Mainly driven by the GOL Consolidation, which resulted in higher depreciation charges associated with a total fleet of 146 aircraft.

Other depreciation, amortization, impairment and asset held for sale asset for the three months ended March 31, 2026 totaled US\$ 119.8 million, compared to US\$ 41.2 million for the three months ended March 31, 2025, this increase was primarily driven by the consolidation of GOL and higher amortization costs, due to a higher volume of maintenance related events recognized during the period.

Net interest expense totaled US\$ 417.5 million for the three months ended March 31, 2026, representing a 267.9% increase compared to the same period in 2025, primarily driven by the consolidation of GOL, which accounted for 73.4% of the total change, largely explained by US\$ 227.7 million of incremental interest expense.