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 Castlelake 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.

B. Key figures

Abra delivered financial results for the first half of 2026. Net and operating margins reached -10.6% and -1.1%, respectively, compared to the net and operating margin of 9.0% and 9.5% recorded during the same period in 2025. This was mainly attributable to the impact of fuel price increase, as well as non cash fair value effects from financial instruments recorded in 2026.

For the first half ended June 30, 2026, the Group reported operating revenues of US$5,263.0 million, compared to US$2,966.2 million for the first half ended June 30, 2025. This increase was primarily driven by the consolidation of GOL, which was included in the Group's results only from June 2025 onward. As a result, the six months ended June 30, 2025 include only one month of GOL's consolidated results, whereas the six months ended June 30, 2026 reflect a full six months of contribution, with 2,195.3 million. Passenger revenues increased by US$2,039.4 million, or 86.4% year-over-year. Cargo and other revenues grew 42.5%, mainly driven by the Gol consolidation, and an improvement in Avianca cargo performance, with an increase of 5.7% in operating capacity as a result of a larger fleet and higher operational activity due to the implementation of the new business. Total operating expenses were US$5,322.3 million for the first half ended June 30, 2026, compared to US$2,683.0 million for the first half ended June 30, 2025. A significant portion of this variance, is explained by the Gol consolidation in 2025 representing approximately $2,237 in 2026. For Avianca, the increase is driven by higher operational activity, reflected in a 4.8% increase in capacity, a 6.0% increase in block hours and a 5.2% increase in departures.

ABRA continued to maintain a solid balance sheet position, closing the semester with US$1.4 billion in cash and short-term investments. This figure excludes US$200 million of committed, undrawn Revolving Credit Facility. Total debt amounted to US$11.3 billion, including GOL's exit financing measured at fair value.

Operating revenue

Passenger revenue totaled US$4,400.2 million for the six months ended June 30, 2026, compared to US$2,360.8 million for the six months ended June 30, 2025. This increase was driven by higher passenger activity, reflected in a 7.8% increase in passengers carried, and stronger revenue performance during the period. At Avianca, PRASK increased from 5.8 in 2025 to 6.4 in 2026, while at GOL, PRASK improved from 6.0 in 2025 to 6.5 in 2026.

Cargo and other revenue totaled US$862.8 million for the six months ended June 30, 2026, compared to US$605.4 million for the six months ended June 30, 2025. At the Avianca level, this increase was primarily driven by higher cargo revenues resulting from increased freighter and belly capacity, as well as stronger loyalty revenues.

Operating expenses

Aircraft fuel for the six months ended June 30, 2026 totaled US$1,617.2 million, compared to US$731.5 million for the six months ended June 30, 2025. The increase in aircraft fuel expense reflects higher into-plane fuel prices. At Avianca, into-plane fuel prices increased from 2.5 for the six months ended June 30, 2025 to 3.6 for the six months ended June 30, 2026. Additionally, comparability between periods is affected by the GOL consolidation, as the six months ended June 30, 2025 include only one month of GOL's results following the acquisition, while the six months ended June 30, 2026 reflect a full six months of operations, including approximately $733.1 million of fuel expense.

Salaries, wages and benefits expenses for the six months ended June 30, 2026 totaled US$837.7 million, compared to US$446.5 million for the six months ended June 30, 2025, primarily due to the Gol Consolidation,. For Avianca, expenses reflect inflationary impacts, appreciation of Colombian Peso and the additional personnel required to support a 4.8% increase in capacity during the semester.

Ground Operations for the six months ended June 30, 2026 totaled US$534.6 million, compared to US$311.8 million for the six months ended June 30, 2025, mainly due to Gol Consolidation in 2025 since June. As a result, 2025 includes only one month of consolidated results, whereas 2026 reflects six months with approximately $175.1 million in 2026 . The increase is also consistent with higher operating activity for Avianca and GOL, including higher airport and handling requirements.

Air traffic for the six months ended June 30, 2026 totaled US$246.1 million, compared to US$139.7 million for the six months ended June 30, 2025. This increase is mainly attributable to the Gol Consolidation in 2025 since June, which added 122,347 passenger departures and 17.6 million passengers carried in 2026. Whereas in June of 2025 added 19.080 passenger departures and 2.7 million passenger carried; resulting in higher airport related and passenger handling costs. For Avianca, air traffic increased by $40.1 million, primarily driven by an increase in airport facilities costs resulting from a 5.2% increase in operational activity compared to 2Q 2025, particularly in the North America region.
Flight operations for the six months ended June 30, 2026 totaled US$80.0 million, compared to US$53.0 million for the six months ended June 30, 2025. The increase reflects higher flight-related operating activity and associated crew-related costs, mainly due to Gol Consolidation in 2025 since June and higher operating activity in Avianca.

Passenger services for the six months ended June 30, 2026 totaled US$152.6 million, compared to US$57.3 million for the six months ended June 30, 2025, resulting in a 166.4% increase that is attributable to the Gol Consolidation, which added 17.6 million passengers carried in 2026.

Maintenance and repairs for the six months ended June 30, 2026 totaled US$288.5 million, compared to US$173.0 million for the six months ended June 30, 2025. The increase reflects higher maintenance activity and costs consistent with the operational scale in the semester, mainly driven by Gol Consolidation in 2025 since June. As a result, 2025 includes only one month of consolidated results, whereas 2026 reflects six months that represents approximately US$129.8 million.

Selling expenses for the six months ended June 30, 2026 totaled US$285.6 million, compared to US$150.2 million for the six months ended June 30, 2025. Mainly attributable to the Gol Consolidation, which added higher selling and distribution costs associated with 17.6 million passengers carried in the first half of 2026, and higher brand advertising, marketing and digital media investments aimed at supporting sales and market share recovery, including sponsorships.

Fees and other expenses for the six months ended June 30, 2026 totaled US$233.9 million, compared to US$175.5 million for the six months ended June 30, 2025, mainly driven by Gol Consolidation in 2025 since June. As a result, 2025 includes only one month of consolidated results, whereas 2026 reflects six months with and impact of approximately $61.5 million, and an increase software and general services expenses.

Rentals for the six months ended June 30, 2026 totaled US$89.8 million, compared to US$46.0 million for the same period in 2025, mainly driven by higher aircraft and engine rental expenses at Avianca; and an incremental expense of US$7.4 million from the GOL consolidation.

Depreciation of right of use asset for the six months ended June 30, 2026 totaled US$647.0 million, compared to US$299.1 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 147 aircraft.

Other depreciation and amortization for the six months ended June 30, 2026 totaled US$284.2 million, compared to US$99.5 million for the six months ended June 30, 2025, mainly due to the Gol Consolidation in 2025 since June. As a result, 2025 includes only one month of consolidated results, whereas 2026 reflects six months, which contributed $132.2 million. Reflected in higher costs of amortization of intangible assets, and depreciation of capitalized maintenance events, primarily related to engines. Additionally, at Avianca, higher volume of maintenance related events recognized during the period and an increase in intangible amortization expense. primarily due to IFRS 3-related charges.

Impairment of assets for the six months ended June, 30, 2025 totaled US$25.0 million.

Net interest expense totaled US$802.2 million for the six months ended June 30, 2026, representing a 334.0% increase compared to the same period in 2025, primarily driven by the consolidation of GOL Consolidation in 2025 since June. As a result, 2025 includes only one month of consolidated results, whereas 2026 reflects six months that represents approximately US$446.2 million.