Abra Group and Azul sign non-binding MoU with the intent to combine businesses in Brazil

São Paulo, January 15th, 2025 – Abra Group (the majority investor of Gol and Avianca) and Azul signed a non-binding Memorandum of Understanding (MoU) today with the intent to explore a combination of their businesses in Brazil, enhancing connectivity across the country by expanding national, regional and international flights, improving competitiveness, products and services, and strengthening the country's connections with the rest of the world. Gol is not a party to the MoU.

Gol and Azul's networks and fleet are complementary in almost 90% of routes, with each company flying aircraft of different sizes and serving different destinations. The parties expect that a business combination would result in efficiencies and cost reductions, directly benefiting consumers. Upon consummation of such a transaction, Gol and Azul companies would be expected to keep their independent brands and operating certificates, serving more than 200 destinations in Brazil and internationally with plans to expand their airline networks and connectivity and create additional job positions.

"*We are pleased to announce our intention to explore a combination of the businesses of Gol and Azul to craft a more competitive and resilient global aviation player and increase the democratization of the sector. As part of Abra's strategy to bolster the Brazilian market, this is an important opportunity to further intensify our presence in Brazil and empower our global network. In parallel, as Abra Group, we continue to be supportive of all the work that Gol management and the entire Gol team have been doing for the successful restructuring of Gol during its Chapter 11 process and are excited by its prospects to emerge as a well-capitalized standalone entity*", says Manuel Irarrazaval, Chief Financial Officer of Abra Group.

The parties have agreed to a business principle, to ensure adequate capitalization, that any combination will result in net leverage of the combined entity that will be comparable or better than the net leverage of Gol at the time of the Transaction, after consummation of its plan of reorganization.

The closing of the transaction is subject to Abra Group and Azul agreeing on economic terms of the transaction, the satisfactory completion of due diligence, entering into definitive agreements, obtaining corporate and regulatory approvals (including from the Brazilian antitrust authorities), satisfaction of customary closing conditions, the consummation of Gol's Chapter 11 plan of reorganization and receipt by Abra of consideration thereunder.

The MoU announced today is an initial stage of a negotiation process to explore the feasibility of a potential transaction. Thus, the strategy, conduct of business and operations of Abra Group and of Gol do not change as a result of the execution of the MOU.

Wachtell, Lipton, Rosen & Katz and Pinheiro Guimarães are serving as legal advisors to Abra in connection with the potential Transaction. Caminati Bueno Advogados is acting as lead antitrust counsel.

Further information for media:
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About Abra Group: Abra Group, a UK-based company, is one of the most competitive air transportation groups in Latin America. It brings together the iconic Gol and Avianca brands under a single leadership, and a strategic investment in Wamos Air, anchoring an airline network that has one of the lowest unit costs in its respective markets, leading loyalty programs across the region (LifeMiles and Smiles) and other synergistic businesses. Additionally, Abra Group holds a convertible debt instrument representing a minority interest investment in Chile's Sky Airline. The Group consolidates a team of close to 30,000 highly qualified aviation professionals and a fleet of 300 aircraft with scheduled flights serving 25 countries and over 150 destinations.

Gol is one of Brazil's leading airlines, operating a standardized fleet 138 Boeing 737 aircraft and has 13,900 highly qualified professionals. Avianca, the second oldest airline in the world, operates with more than 140 A320 and B787 aircraft passenger as well as 7 cargo aircraft, and has more than 14,000 employees. Finally, Wamos Air is a Europe-based leader in widebody ACMI operations operating 13 A330 passenger aircraft. For more information, visit www.abragroup.net.