

Azul Announces Exchange Offers of Certain Existing Notes for New Notes and Solicitations of Consents to Proposed Amendments to the Existing Indentures

São Paulo, June 13, 2023 – Azul S.A., “Azul,” (B3: AZUL4, NYSE: AZUL) (“Azul”) today announced that its wholly-owned subsidiary Azul Investments LLP (the “Existing Notes Issuer”) has commenced two separate offers to Eligible Holders (as defined below) to exchange (such offers, the “Exchange Offers”) (i) any and all of the outstanding 5.875% Senior Notes due 2024 issued by the Existing Notes Issuer (the “Existing 2024 Notes”) for newly issued 11.500% Senior Secured Second Out Notes due 2029 to be issued by Azul Secured Finance LLP (the “New Notes Issuer”) (the “New 2029 Notes”), and (ii) any and all of the outstanding 7.250% Senior Notes due 2026 issued by the Existing Notes Issuer (the “Existing 2026 Notes” and, together with the Existing 2024 Notes, the “Existing Notes”) for newly issued 10.875% Senior Secured Second Out Notes due 2030 to be issued by the New Notes Issuer (the “New 2030 Notes,” and together with the New 2029 Notes, the “New Notes”), pursuant to the terms and subject to the conditions set forth in the confidential exchange offering memorandum and consent solicitation statement, dated June 13, 2023 in respect of the Exchange Offers and Solicitations (as defined below) (the “Offering Memorandum”).

The New Notes will be guaranteed by Azul and its subsidiaries Azul Linhas Aéreas Brasileiras S.A. (“Azul Linhas”), IntelAzul S.A. and ATS Viagens e Turismo Ltda., as well as Azul IP Cayman Holdco Ltd. and Azul IP Cayman Ltd, which will be incorporated prior to the first Settlement Date (together, the “Guarantors”). The New Notes will be secured by certain assets and rights, as described in the Offering Memorandum.

Any capitalized terms used in this press release without definition have the respective meanings assigned to such terms in the Offering Memorandum.

CUSIP /ISIN Numbers	Title of Security	Principal Amount Outstanding	Exchange Consideration⁽¹⁾	Early Exchange Premium⁽¹⁾⁽²⁾	Total Early Exchange Consideration⁽¹⁾
CUSIP: 05502FAA6 / U0551UAA1 ISIN: US05502FAA66 / USU0551UAA17	5.875% Senior Notes due 2024	US\$400,000,000	US\$950.00 in principal amount of New 2029 Notes	US\$50.00 in principal amount of New 2029 Notes	US\$1,000.00 in principal amount of New 2029 Notes
CUSIP: 05502FAC2 / U0551UAB9 ISIN: US05502FAC23 / USU0551UAB99	7.250% Senior Notes due 2026	US\$600,000,000	US\$950.00 in principal amount of New 2030 Notes	US\$50.00 in principal amount of New 2030 Notes	US\$1,000.00 in principal amount of New 2030 Notes

- (1) The New Notes Issuer will issue New Notes in the minimum denomination of US\$175,000 and integral multiples of US\$1.00 in excess thereof. For the avoidance of doubt, no cash will be paid for fractional New Notes not received due to rounding. The Existing Notes Issuer will pay in cash accrued and unpaid interest, if any, on the Existing Notes from the last payment date for the Existing Notes of the relevant series, up to, but not including, the applicable Settlement Date (as defined below). If the Existing Notes Issuer elects to have an Early Settlement Date (as defined below) in respect of Existing Notes of a series, the interest commencement date for the New Notes of the relevant series shall be such Early Settlement Date. Therefore, any such New Notes issued by the New Notes Issuer on the applicable Final Settlement Date (as defined below) will be issued by the New Notes Issuer with accrued and unpaid interest from such Early Settlement Date. Accordingly, the amount of accrued and unpaid interest that has accrued on such New Notes to, but excluding, the applicable Final Settlement Date will be deducted, but not below zero, from the cash payable in respect of accrued and unpaid interest, if any, on the Existing Notes of the relevant series exchanged on the applicable Final Settlement Date.
- (2) Eligible Holders who validly tender Existing Notes of a series after the Early Participation Deadline (as defined below) but on or before the Expiration Deadline (as defined below) will not be eligible to receive the Early Exchange Premium for such series validly tendered and not validly withdrawn.

Simultaneously with the Exchange Offers, the Existing Notes Issuer is conducting (i) a solicitation (the “2024 Solicitation”) of consents (the “2024 Consents”) from Eligible Holders of the Existing 2024 Notes to effect certain proposed amendments (the “2024 Proposed Amendments”) to the indenture dated as of October 26, 2017, under which the Existing 2024 Notes were issued (the “2024 Notes Indenture”), and (ii) a solicitation (the “2026 Solicitation” and, together with the 2024 Solicitation, the “Solicitations”) of consents (the “2026 Consents” and, together with the 2024 Consents, the “Consents”) from Eligible Holders of the Existing 2026 Notes to effect certain proposed amendments (the “2026 Proposed Amendments” and, together with the 2024 Proposed Amendments, the “Proposed Amendments”) to the indenture dated as of June 15, 2021, under which the Existing 2026 Notes were issued (the “2026 Notes Indenture” and, together with the 2024 Notes Indenture, the “Existing Notes Indentures”). The Proposed Amendments with respect to each Existing Notes Indenture would, among other things, eliminate substantially all of the restrictive covenants, events of default and related provisions contained in such Existing Notes Indenture. Eligible Holders may not tender their Existing Notes for exchange pursuant to the applicable Exchange Offer without delivering their Consents pursuant to the applicable Solicitation, and Eligible Holders may not deliver their Consents pursuant to the applicable Solicitation without tendering their Existing Notes pursuant to the applicable Exchange Offer. The valid tender of Existing Notes of a series by an Eligible Holder pursuant to the relevant Exchange Offer will be deemed to constitute the giving of a Consent by such Eligible Holder to the Proposed Amendments of the Existing Notes Indenture applicable to such series.

Azul has entered into a Transaction Support Agreement (the “Transaction Support Agreement”) dated June 13, 2023, between the New Notes Issuer, the Guarantors and an ad hoc group of holders of Existing Notes (the “Supporting Noteholders”). Subject to the terms and conditions set forth in the Transaction Support Agreement, the Supporting Noteholders have agreed to tender their Existing Notes in the Exchange Offers and deliver Consents to the Proposed Amendments prior to the Early Participation Deadline. The Supporting Noteholders represent 65.5% of the aggregate principal amount of the Existing 2024 Notes and 65.8% of the aggregate principal amount of the Existing 2026 Notes outstanding as of the date of this press release. The consent of Supporting Noteholders suffices to approve the Proposed Amendments in respect of the Existing Notes of each series.

Each Exchange Offer and Solicitation is a separate offer, and each Exchange Offer and Solicitation may be individually amended, extended, terminated or withdrawn without amending, extending, terminating or withdrawing any other Exchange Offer or Solicitation, at any time prior to the Expiration Deadline and for any reason. As described in the Offering Memorandum, the New Notes will constitute Second Priority Secured Obligations and will, pursuant to the Intercreditor Agreement, be secured on a “second out” basis by security interests in the Collateral.

Important Dates and Times

Commencement:	June 13, 2023.
Withdrawal Deadline:	5:00 p.m., New York City time, on June 27, 2023, unless extended with respect to any Exchange Offer or Solicitation.
Early Participation Deadline:	5:00 p.m., New York City time, on June 27, 2023, unless extended with respect to any Exchange Offer or Solicitation.
Expiration Deadline:	11:59 p.m., New York City time, on July 12, 2023, unless extended with respect to any Exchange Offer or Solicitation.
Early Settlement Date:	If the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, the Early Settlement Date will be determined at the Existing Notes Issuer's option and announced by the Existing Notes Issuer, subject to all conditions to the applicable Exchange Offer having been satisfied or waived by the Existing Notes Issuer, any time on or after the Early Participation Deadline and prior to the Final Settlement Date.
Final Settlement Date:	Expected to be July 17, 2023 (the third business day following the Expiration Deadline), unless extended with respect to any Exchange Offer.

Upon the terms and subject to the conditions set forth in the Offering Memorandum, Eligible Holders who validly tender Existing Notes and deliver related Consents at or prior to 5:00 p.m., New York City time, on June 27, 2023, unless extended by the Existing Notes Issuer (such date and time as they may be extended, the “Early Participation Deadline”) and who do not validly withdraw tendered Existing Notes and do not revoke such Consents at or prior to 5:00 p.m., New York City time, on June 27, 2023, unless extended by the Existing Notes Issuer (such date and time, as they may be extended, the “Withdrawal Deadline”), and whose Existing Notes are accepted for exchange by the Existing Notes Issuer, will receive the applicable Total Early Exchange Consideration, which will be payable in the forms of consideration described below.

The “Total Early Exchange Consideration” for any Existing 2024 Notes and Existing 2026 Notes whose tenders are accepted for exchange by the Existing Notes Issuer will consist of New 2029 Notes to be issued by the New Notes Issuer and New 2030 Notes to be issued by the New Notes Issuer, respectively, in an aggregate principal amount set forth in the above table, which includes the “Early Exchange Premium” for Existing Notes set forth in the above table.

Upon the terms and subject to the conditions set forth in the Offering Memorandum, Eligible Holders who validly tender Existing Notes and deliver related Consents after the Early Participation Deadline but at or prior to 11:59 p.m., New York City time, on July 12, 2023, unless extended or earlier terminated by the Existing Notes Issuer (such date and time, as they may be extended, the “Expiration Deadline”), and whose Existing Notes are accepted for exchange by the Existing Notes Issuer, will receive the applicable Total Early Exchange Consideration *minus* the applicable Early Exchange Premium (the “Exchange Consideration”).

Upon the terms and subject to the conditions of the relevant Exchange Offer, the settlement date for an Exchange Offer will occur promptly after the applicable Expiration Deadline (the “Final Settlement Date”). If, at any time on or after the Early Participation Deadline, all conditions have been satisfied or waived by the Existing Notes Issuer, the Existing Notes Issuer may elect, in its sole discretion, to settle an Exchange Offer for Existing Notes of the relevant series validly tendered (and not validly withdrawn) prior to the Early Participation Deadline for such Exchange Offer at any time after the Early Participation Deadline and prior to the applicable Expiration Deadline (the “Early Settlement Date” and, together with the Final Settlement Date, each a “Settlement Date”).

If the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, the Early Settlement Date will be determined at the Existing Notes Issuer’s option and announced by the Existing Notes Issuer. The Final Settlement Date is expected to be July 17, 2023 unless extended by the Existing Notes Issuer (at its sole option), which is the third business day following the Expiration Deadline.

In addition to the applicable Total Early Exchange Consideration or applicable Exchange Consideration, as applicable, Eligible Holders whose Existing Notes are accepted for exchange by the Existing Notes Issuer will be paid in cash the accrued and unpaid interest, if any, from the last payment date for the Existing Notes of the relevant series up to, but not including, the applicable Settlement Date for such Existing Notes that are validly tendered and accepted for exchange by the Existing Notes Issuer on the applicable Settlement Date.

If the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, the interest commencement date for the New Notes of the relevant series shall be such Early Settlement Date. Therefore, any such New Notes issued by the New Notes Issuer on the applicable Final Settlement Date will be issued by the New Notes Issuer with accrued and unpaid interest from such Early Settlement Date. Accordingly, the amount of accrued and unpaid interest that has accrued on such New Notes to, but excluding, the applicable Final Settlement Date will be deducted, but not below zero, from the cash payable in respect of accrued and unpaid interest, if any, on the Existing Notes of the relevant series exchanged on the applicable Final Settlement Date.

The obligation of the Existing Notes Issuer to complete an Exchange Offer and related Solicitation with respect to either series of Existing Notes is subject to certain conditions described in the Offering Memorandum (the “Conditions”), which include, (i) with respect to the 2024 Notes, the receipt of 2024 Notes validly tendered (and not validly withdrawn) prior to the Expiration Deadline representing not less than 70% of the aggregate principal amount of 2024 Notes outstanding and, with respect to the 2026 Notes, the receipt of Existing Notes validly tendered (and not validly withdrawn) prior to the Expiration Deadline representing not less than 70% of the aggregate principal amount of Existing Notes outstanding, (ii) certain amendments to the indenture (*escritura de emissão de debêntures*) governing the convertible debentures issued by Azul and certain collateral and other documents are required to be amended or replaced in respect of such convertible debentures, (iii) certain amendments to the forbearance agreement entered into between Azul Linhas, as lessee, and certain lessors of aircraft (the “Relevant Lessors”), and to the global partial deferral agreement entered into between Azul Linhas, as lessee, Azul, as guarantor, and the Relevant Lessors, and the related collateral and other documents are required to be

replaced, (iv) the obtaining by Azul and certain of its subsidiaries of waivers and amendments from their creditors to certain financings agreements and arrangements entered into in the ordinary course of their business with certain financial institutions, and (v) certain other customary conditions. Certain of these conditions are subject to waiver by Azul.

Pursuant to the terms of each Existing Notes Indenture, the Proposed Amendments require the written consent of holders of a majority in aggregate principal amount of the relevant series of outstanding Existing Notes issued under the relevant Existing Notes Indenture. At any time after the applicable Withdrawal Deadline and before the applicable Final Settlement Date (or the Early Settlement Date, if the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series), upon receipt of valid Consents sufficient to effect the Proposed Amendments with respect to Existing Notes of a series, the Existing Notes Issuer and the relevant Existing Notes Trustee under the applicable Existing Notes Indenture may execute and deliver a supplemental indenture relating to the Proposed Amendments with respect to the applicable Existing Notes Indenture immediately giving effect to such Proposed Amendments.

Neither the Existing Notes Issuer nor the New Notes Issuer will receive any cash proceeds from the Exchange Offers or the issuance of the New Notes to be issued by the New Notes Issuer in the Exchange Offers. The Existing Notes acquired by the Existing Notes Issuer pursuant to the Exchange Offers will be cancelled and will not be reissued.

The New Notes are being offered for exchange only (a) in the United States to holders of Existing Notes who are reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”)) in reliance upon the exemption from the registration requirements of the Securities Act, and (b) outside the United States to holders of Existing Notes who are persons other than “U.S. persons” (as defined in Rule 902 under the Securities Act) in reliance upon Regulation S under the Securities Act. In addition, the New Notes may not be transferred to or held by a Competitor.

Only holders of Existing Notes who have properly completed and submitted the eligibility certification in electronic form (the “Eligible Holders”) are authorized to receive and review the Offering Memorandum. Only Eligible Holders that also comply with the other requirements set forth in the Offering Memorandum are eligible to participate in the Exchange Offers and the Solicitations. Holders who desire to obtain and complete an eligibility certification should either visit the website for this purpose at <https://gbsc-usa.com/eligibility/azul> or contact Global Bondholder Services Corporation, the Exchange Agent and the Information Agent in connection with the Exchange Offers and the Solicitations. Requests for documentation and questions regarding the Exchange Offers and the Solicitations can be directed to Global Bondholder Services Corporation at +1 (212) 430-3774 (banks and brokers) and +1 (855) 654-2014 (toll free).

This press release does not constitute an offer to buy or the solicitation of an offer to sell the Existing Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. This press release does not constitute an offer to sell or the solicitation of an offer to buy the New Notes, nor shall there be any sale of the New Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. The New Notes will not be registered under the Securities Act or the securities laws

of any state and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and applicable state securities laws. The Exchange Offers and Solicitations are being made only pursuant to the Offering Memorandum and only to such persons and in such jurisdictions as is permitted under applicable law.

None of the Existing Notes Issuer, the New Notes Issuer, the Guarantors, any of their respective directors or officers, the Dealer Managers, the Financial Advisor, the Exchange Agent, the Information Agent, or the Trustees, or in each case, any of their respective affiliates, makes any recommendation as to whether Eligible Holders should tender or refrain from tendering all or any portion of the Existing Notes in response to any of the Exchange Offers, or deliver Consents in response to the Solicitations. Eligible Holders will need to make their own decision as to whether to tender Existing Notes in the Exchange Offers and participate in the Solicitations and, if so, the principal amount of Existing Notes to tender.

This press release is being issued pursuant to and in accordance with Rule 135c under the Securities Act.

Cautionary Statement Regarding Forward-Looking Statements

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this press release, and those statements preceded by, followed by or that otherwise include the words “may,” “might,” “will,” “aim,” “would,” “could,” “should,” “believe,” “understand,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “target,” “goal,” “guidance,” “budget,” “plan,” “objective,” “potential,” “seek,” or similar expressions or variations on these expressions are forward-looking statements. Azul and its subsidiaries can give no assurances that the assumptions upon which the forward-looking statements are based will prove to be correct or that, even if correct, intervening circumstances will not occur to cause actual results to be different than expected. Because forward-looking statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. There are a number of risks, uncertainties and other important factors that could cause the actual results of Azul and its subsidiaries to differ materially from the forward-looking statements, including, but not limited to, the form and results of the Exchange Offers and Solicitations; the satisfaction or waiver of the Conditions; and those factors set out in the Offering Memorandum under “Risk Factors”, in Azul’s annual report on Form 20-F for the year ended December 31, 2022 under “Risk Factors”, and in Azul’s other filings with the U.S. Securities and Exchange Commission. Although Azul and its subsidiaries believe the expectations reflected in the forward-looking statements are reasonable, Azul and its subsidiaries cannot guarantee future results, level of activity, performance or achievements. Moreover, neither Azul nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. Eligible Holders should not rely upon forward-looking statements as predictions of future events. The information included herein is given as of the date of this press release and, except as otherwise required by the applicable law, Azul and its subsidiaries disclaim any obligation or undertaking to publicly release any updates or revisions to, or to withdraw, any forward-looking statement contained in this press release to reflect any change in Azul’s and its subsidiaries’ expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

About Azul

Azul is the largest airline in Brazil in terms of departures and cities served, with around 1,000 daily departures to 158 destinations, creating an unparalleled network of more than 300 non-stop routes as of December 31, 2022. For more information visit <https://ri.voeazul.com.br>. Information on Azul's website does not constitute a part of this press release.

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Azul Announces Launch of Offers to Exchange Existing Senior Notes for New Senior Secured Second Out Notes

São Paulo, June 13, 2023 – Azul S.A. (B3: AZUL4, NYSE: AZUL) (“Azul” or the “Company”) announces today that its subsidiary, Azul Investments LLP (the “Issuer”), has launched: (i) an offer to exchange 5.875% Senior Notes due 2024 issued by the Issuer (the “Existing 2024 Notes”) for 11.500% Senior Secured Second Out Notes due 2029 to be issued by the New Notes Issuer (as defined below) (the “New 2029 Notes”), and (ii) an offer to exchange 7.250% Senior Notes due 2026 issued by the Issuer (together with the Existing 2024 Notes, the “Existing Notes”) for 10.875% Senior Secured Second Out Notes due 2030 to be issued by the New Notes Issuer (together with the New 2029 Notes, the “New Notes”), in each case subject to the satisfaction or waiver of certain conditions (the “Exchange Offers”). The Exchange Offers will be made only to certain eligible holders of Existing Notes. Simultaneously with the Exchange Offers, the Issuer is soliciting consents from eligible holders of the Existing Notes to certain proposed amendments to the terms of the Existing Notes.

The purpose of the Exchange Offers is to refinance a portion of the Existing Notes in order to optimize the Company’s debt capital structure as part of the execution of the Company’s recapitalization strategy. There can be no assurance that the conditions to either or both of the Exchange Offers will be satisfied or waived, or that either or both of the of the Exchange Offers will be consummated.

A description of certain terms of the New Notes proposed to be issued in the Exchange Offers and of certain related transaction documents is set out below.

Obligors and Status

The New Notes will be issued by Azul Secured Finance LLP (the “New Notes Issuer”), a newly-formed Delaware limited liability partnership that is a wholly-owned subsidiary of the Company. The New Notes will be guaranteed by the Company and its subsidiaries Azul Linhas Aéreas Brasileiras S.A. (“Azul Linhas”), IntelAzul S.A. (“IntelAzul”), ATS Viagens e Turismo Ltda. (“Azul Viagens”), Azul IP Cayman Holdco Ltd. (“IP HoldCo”), and Azul IP Cayman Ltd. (“IP Co”) (together, the “Guarantors” and, together with the New Notes Issuer, the “Obligors”).

IP HoldCo and IP Co (the “IP Parties”) will be newly-incorporated exempted companies incorporated in the Cayman Islands in connection with the issuance of the New Notes and the package of Shared Collateral (as defined below). The IP Parties will be structured to be operated as bankruptcy remote special purpose entities and, if the Company or its subsidiaries (other than the IP Parties) were to become bankrupt, the Contributed Intellectual Property (as defined below) is not expected to be treated as property of the bankruptcy estate of the Company or its subsidiaries (other than the IP Parties).

The New Notes and the guarantees thereof of the Guarantors will rank equally in right of payment with all of the Obligors’ existing and future senior unsubordinated obligations (except (i) those obligations preferred by operation of law, including labor and tax claims, (ii) as provided with respect to the Shared Collateral and the Intercreditor Agreement (as defined below), and (iii) as provided with respect to the Azul Cargo Collateral and the Azul Cargo Intercreditor Agreement (each as defined below)). The New Notes will constitute New Notes Secured Debt (as defined below) for the purposes of the Intercreditor Agreement, which means that the New Notes will be secured by the Shared Collateral on a “second out” basis and will have the right to receive payments, including the proceeds of any enforcement of Shared Collateral, on a “second out” basis after the payment of amounts due and payable in respect of the Secured Lease Obligations, the Convertible Debentures (as defined below), and the Additional First Priority Secured Debt (each as defined below) (the “First Priority Secured Debt”). In addition, the Company and its subsidiaries will be entitled to incur certain additional indebtedness secured by the Azul Cargo Collateral on a “first out” basis, subject to the terms of the Azul Cargo Intercreditor Agreement (the “Azul Cargo Priority Secured Debt”), and the New Notes shall have the rights to receive payments from such Azul Cargo Collateral on a “second out” basis after the payment is respect of the Azul Cargo Priority Secured Debt.

Maturity Date, Interest, Repurchase, Redemption and Prepayment

The New 2029 Notes will mature on May 28, 2029, and the New 2030 Notes will mature on May 28, 2030, in each case unless earlier redeemed or repurchased and cancelled in accordance with their terms.

The New 2029 Notes will bear interest at the rate of 11.500% per annum and the New 2030 Notes will bear interest at the rate of 10.875% per annum, in each case payable quarterly on February 28, May 28, August 28 and November 28 of each year, beginning on August 28, 2023.

Prior to May 28, 2025, the New Notes Issuer shall have the right to redeem the New 2029 Notes at its option at a make-whole premium, at a specified redemption price. Prior to May 28, 2026, the New Notes Issuer shall have the right to redeem the New 2030 Notes at its option at a make-whole premium, at a specified redemption price. On or after May 28, 2025, the New Notes Issuer shall have the right to redeem the New 2029 Notes at its option without a make-whole premium, at a specified redemption price during the twelve-month period beginning on May 28, 2025, and at par from May 28, 2026 and thereafter. On or after May 28, 2026, the New Notes Issuer shall have the right to redeem the New 2030 Notes at its option without a make-whole premium, at specified redemption prices during the twelve-month periods beginning on May 28, 2026 and 2027, respectively, and at par from May 28, 2028 and thereafter. In addition, the New Notes shall include the right to redeem all of the New Notes for certain tax reasons, and a “clean-up call” redemption right following acceptance of a tender offer above a certain threshold.

The New Notes Issuer shall be required to make an offer to purchase the New Notes upon certain change of control events and in respect of the proceeds of certain recovery and contingent payment events. In addition, the New Notes Issuer shall be required to make an offer to purchase, on a pro rata basis, an amount equal to 19% of the outstanding principal amount of the New 2029 Notes in certain circumstances. Subject to certain exceptions, the New Notes will be subject to mandatory prepayment using the net proceeds of certain issuances of debt by the IP Parties, IntelAzul or Azul Viagens, the net proceeds of collateral sales (in the limited circumstances where such sales may be permitted) and the net proceeds from the sale of pre-paid points purchases above a certain threshold.

Secured Obligations Secured by the Shared Collateral

The transaction documents to be entered into in connection with the issuance of the New Notes will create a shared collateral structure that will, with effect from the date that the New Notes are issued (the “New Notes Closing Date”), secure certain existing indebtedness and other obligations of the relevant Obligor and that will be permitted to secure certain future permitted indebtedness incurred by the Obligor. The priority of payments in respect of First Priority Secured Debt and New Notes Secured Debt is determined by the Intercreditor Agreement.

First Priority Secured Debt

The Company currently expects that, on the New Notes Closing Date, the Shared Collateral will secure approximately US\$451 of First Priority Secured Debt, as described below.

- **Convertible Debentures:** Approximately R\$1,760 million of principal amount of the Company’s Convertible Debentures (or approximately US\$346 million using an exchange rate of R\$5.0804 per US\$1.00) that were issued by the Company on October 26, 2020 (the “Convertible Debentures”). The Convertible Debentures currently mature on October 26, 2025, and the holders of substantially all of the aggregate principal amount of the Convertible Debentures have agreed to vote in favor of amendments to the Convertible Debentures to, among other things, extend the maturity date to October 26, 2028.
- **Secured Lease Obligations:** Approximately US\$105 million of deferred lease payment obligations owed to certain of the Company’s lessors, the payment of which is scheduled to be concluded by December 1, 2024 (the “Secured Lease Obligations”).
- **Additional permitted First Priority Secured Debt capacity:** In addition to the Convertible Debentures and the Secured Lease Obligations, the terms of the New Notes will provide that, subject to certain conditions, the Obligor shall be entitled to incur additional First Priority Secured Debt that is secured by the Shared Collateral in the aggregate principal amount of up to US\$850 million or such greater amount as would not cause a debt service coverage ratio to be lower than 4.00x or for a loan to value

ratio (determined based upon periodic appraisals of the TudoAzul business, the Azul Viagens business and the Azul intellectual property and calculated as to First Priority Secured Debt only) to be lower than 62.5% (the “Additional First Priority Secured Debt”).

New Notes Secured Debt

The Shared Collateral will secure New Notes secured debt (the “New Notes Secured Debt”) as described below.

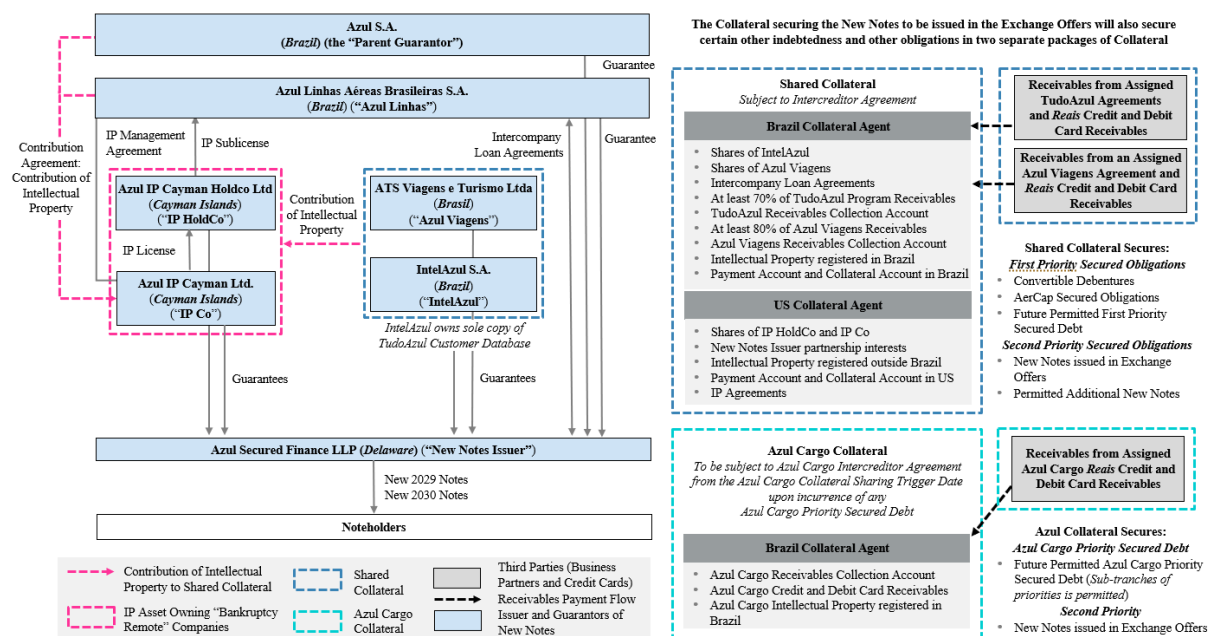
- **New Notes:** Up to US\$1.0 billion in aggregate principal amount of New Notes of the relevant series can be issued pursuant to the terms of the Exchange Offers. Therefore, the amount of New Notes Secured Debt to be initially secured by the Shared Collateral will depend on participation levels in the Exchange Offers.
- **Additional permitted New Notes Secured Debt capacity:** In addition, the terms of the New Notes will provide that, subject to certain conditions, the Obligors shall be entitled to issue additional New 2029 Notes and any additional New 2030 Notes that is secured by the Shared Collateral in an aggregate principal amount up to any aggregate principal amount of Existing Notes repurchased and cancelled after the final settlement date of the Exchange Offers, subject to a limit of US\$850 million (minus the principal amount of the New Notes outstanding on the final settlement date of the Exchange Offers).

Secured Obligations Secured by the Azul Cargo Collateral

On the New Notes Closing Date, the Azul Cargo Collateral will secure the New Notes issued pursuant to the Exchange Offers. The Company and its subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by certain permitted liens over the Azul Cargo Collateral in an aggregate principal amount of Azul Cargo Priority Secured Debt at any time outstanding not to exceed US\$800.0 million.

Collateral

The Collateral securing the New Notes and the guarantees of the Guarantors will generally consist of the Shared Collateral and the Azul Cargo Collateral, each as defined and described below. The following chart describes the structure of the New Notes and provides details of the Collateral:



Shared Collateral

The transaction documents to be entered into in connection with the issuance of the New Notes will create a shared collateral package (the "Shared Collateral") that will secure certain existing indebtedness and other obligations and can secure future permitted First Priority Secured Debt and New Notes Secured Debt.

In summary, the Shared Collateral will comprise certain receivables generated by the TudoAzul program (the Company's loyalty program), certain receivables generated by the Azul Viagens business (the Company's travel package business) and certain brands, domain names and certain other intellectual property used by the Azul airline business (excluding Azul Cargo), the TudoAzul program and the Azul Viagens business (the "Contributed Intellectual Property").

Third-party appraisals have estimated the value of the TudoAzul program, the Azul Viagens business and the Azul airline intellectual property at R\$16.2 billion, R\$2.4 billion and R\$5.0 billion, respectively.

The terms of the New Notes require that all cash payments, credit card and debit card receivables under co-branding, partnering or similar agreements entered by TudoAzul or Azul Viagens be paid into collection accounts that form part of the Shared Collateral. The Company is required to ensure that (i) the assigned TudoAzul receivables represent at least 70% of TudoAzul's gross billings, and (ii) the assigned Azul Viagens receivables represent at least 80% of the Azul Viagens gross billings. The liens over the Shared Collateral will be subject to certain post-closing perfection requirements, and the effectiveness of the liens over the assigned TudoAzul agreements and Azul Viagens agreements shall be subject to the consent of relevant counterparties being obtained within a specified period.

The Secured Collateral will include collection accounts into which the receivables generated by the TudoAzul program and the Azul Viagens business will be paid. The terms of the New Notes will provide that, until the Obligor incur any additional First Priority Secured Debt after the New Notes Closing Date (the "New First Priority Debt Closing Date"), unless an event of default has occurred, amounts in the collection accounts will be available for use by Azul without restriction. If and when the New First Priority Debt Closing Date occurs, then amounts deposited into the collection accounts will be retained until the amounts in the collection accounts are sufficient to pay the amount of interest (and, if applicable, principal, premium and other payments) to be paid on the next interest payment date. When that threshold has been reached, unless an event of default has occurred, all amounts in the collection accounts in excess of that threshold will be available for use by Azul without restriction.

Azul Cargo Collateral

The transaction documents to be entered into in connection with the issuance of the New Notes will also create a package of Azul Cargo collateral (the "Azul Cargo Collateral" and, together with the Shared Collateral, the "Collateral") that will secure the New Notes and any future Azul Cargo Priority Secured Debt.

In summary, the Azul Cargo Collateral will comprise certain receivables generated by the Azul Cargo business (Azul's cargo transportation services business), and certain brands, domain names and certain other intellectual property used by the Azul Cargo business. Third-party appraisals have estimated the value of the Azul Cargo business at R\$6.7 billion. The liens over the Azul Cargo Collateral will be subject to certain post-closing perfection requirements.

At any time prior to the occurrence of an event of default, amounts in the Azul Cargo collection account will be available for use by Azul without restriction. The Azul Cargo Intercreditor Agreement, if and when entered into, shall contain provisions relating to the enforcement of, and application of proceeds in relation to, the Azul Cargo collection account.

Contributed Intellectual Property

In connection with the transactions contemplated by the Exchange Offers, Azul and certain subsidiaries will contribute the Contributed Intellectual Property to the IP Parties. The Contributed Intellectual Property will be pledged by IP Co and will form part of the Shared Collateral. IP Co will grant to IP HoldCo an exclusive, irrevocable, perpetual, worldwide license to use the Contributed Intellectual Property and, in turn, IP HoldCo will grant to Azul Linhas an exclusive, irrevocable, perpetual, worldwide sublicense to use the Contributed

Intellectual Property. Pursuant to a management agreement, the IP Parties will delegate their respective rights and obligations as licensors under the intellectual property licenses to Azul Linhas. The rights of the IP Parties, Azul and Azul Linhas in certain of the agreements related to this structure (the "IP Agreements") will be pledged as part of the Shared Collateral.

The intellectual property licenses referred to above will contain non-compete provisions pursuant to which the Company and its subsidiaries shall not be permitted to establish, create or operate any loyalty program or travel package business except for the TudoAzul program or the Azul Viagens business (subject to certain permitted acquisition provisions).

Upon the occurrence of certain events of default under debt secured by the Shared Collateral, IP HoldCo may be required to pay to IP Co a quarterly license fee under the relevant intellectual property, and Azul Linhas may be required to pay to IP HoldCo a quarterly license fee under the relevant intellectual property license, in each case in an amount equal to US\$50 million per quarter, subject to certain terms and conditions. The right to receive such license fee will be pledged as part of the Secured Collateral. The intellectual property license granted to Azul Linhas in respect of the Azul airline brand is subject to suspension in certain circumstances, including upon the occurrence of events of default under debt secured by the Shared Collateral, and all intellectual property licenses granted under this structure are subject to termination in certain circumstances, including upon the occurrence of events of default under debt secured by the Shared Collateral.

In the event that a relevant intellectual property license is terminated following the occurrence of certain termination events, the relevant license provides for the payment by Azul Linhas of liquidated damages in the form of a termination payment equal to the present value of an annual amount of US\$200 million from the date of termination through and including the date that is the 20th anniversary of the New Notes Closing Date, discounted to the termination date at a rate of 10% per annum. The right to receive the termination fee will be pledged as part of the Secured Collateral.

Certain Covenants under the New Notes

In addition to the other provisions described herein, the terms of the New Notes restrict the ability of the Company and its subsidiaries to dispose of the Collateral, incur additional indebtedness secured by the Collateral, incur certain liens on the Collateral (other than permitted collateral liens), make certain restricted payments, enter into certain transactions with affiliates, enter into certain business activities, merge or consolidate with another entity or sell, convey, transfer or dispose of assets, amend the organizational documents of the IP Parties and terminate or amend the IP Agreements.

The terms of the New Notes will also include covenants relating to the operation of the TudoAzul program and the Azul Viagens business, the maintenance of credit ratings (but not any specific rating), certain restrictions on investments, the appointment of an independent director of each IP Party, financial and other reports to be delivered, the registration of intellectual property and requiring that IntelAzul shall be the sole repository of, and have sole technical control over, the TudoAzul program customer database, among other provisions.

Intercreditor Agreement

In order for debt and other obligations to be secured by the Shared Collateral, the trustees, agents, other representatives or, if applicable, the creditor thereof shall be required to enter into, on the New Notes Closing Date, an intercreditor, shared collateral and accounts agreement (the "Intercreditor Agreement") that will govern the priority of payments as between the secured creditors and the terms of the Intercreditor Agreement will provide for payment waterfalls. In addition, the Intercreditor Agreement will also govern the exercise of remedies in respect of the Secured Collateral.

Priority of Payments

The Intercreditor Agreement will provide for the priorities of the debt secured by the Shared Collateral to receive payments, including the proceeds of any enforcement of Shared Collateral:

- **First Priority Secured Debt:** Debt and other obligations designated as "first out secured obligations" will be secured by the Shared Collateral on a "first out" basis pursuant to the terms of the Intercreditor Agreement and will have the right to receive payments, including the proceeds of any enforcement of

the Shared Collateral, or any guarantees of any series of debt secured by the Shared Collateral, on a “first out” basis prior to the payment of amounts due and payable in respect of the New Notes Secured Debt in accordance with the terms of the Intercreditor Agreement.

- **New Notes Secured Debt:** The New Notes will be secured by the Shared Collateral on a “second out” basis pursuant to the terms of the Intercreditor Agreement and will have the right to receive payments, including the proceeds of any enforcement of Shared Collateral, or any guarantees of any series of debt secured by the Shared Collateral, on a “second out” basis after the payment of amounts due and payable in respect of the First Priority Secured Debt accordance with the terms of the Intercreditor Agreement.

The “first out” and “second out” priorities will be provided for in the Intercreditor Agreement because, under Brazilian law, the relevant collateral interests cannot be split out into separate first and second liens on the same asset.

Application of Payments

The terms of the Intercreditor Agreement will provide for payment waterfalls which direct how the collateral agents must apply the proceeds of amounts paid into the relevant payment accounts that form part of the Shared Collateral, including in the event of the enforcement of the Shared Collateral.

The payment waterfalls require the following order of payment: *first*: amounts due to representatives of debt secured by the Shared Collateral (such as trustees, agents and other representatives), *second*: amounts to pay interest on First Priority Secured Debt, *third*: amounts to pay principal on First Priority Secured Debt, *fourth*: before a remedies direction following an event of default, amounts on any New Notes Secured Debt that benefits from any excess cash flow sweep, *fifth*: amounts to pay interest on New Notes Secured Debt, *sixth*: amounts to pay principal on New Notes Secured Debt, *seventh*: amounts to pay any other obligations under debt secured by the Shared Collateral (in each case, to the extent due and payable). The payment waterfalls that apply after a remedies direction following an event of default provide that the payment of any premium payable on First Priority Secured Debt shall be have priority of payment over any premium payable on New Notes Secured Debt.

Exercise of Remedies

The Intercreditor Agreement will govern the exercise of remedies and enforcement actions in respect of the Shared Collateral, which includes the action that can be taken in respect of the Shared Collateral after events of default under debt secured by the Shared Collateral. Until all senior secured obligations secured by the Shared Collateral are discharged, the collateral agents shall take instructions only from the “Controlling Creditors,” which is determined as follows:

- Other than in respect of certain specified rights referred to below, until the Majority New Notes Collateral Enforcement Date (as defined below) has occurred, the Controlling Creditors will be holders of First Priority Secured Debt that hold 50.1% or more of the aggregate principal amount of all First Priority Secured Debt.
- Other than in respect of certain specified rights referred to below, after the Majority New Notes Collateral Enforcement Date has occurred, the Controlling Creditors will be holders of the New Notes that hold 50.1% or more of the aggregate principal amount of the New Notes, determined across both series of New Notes for this purpose as one class (the “Majority New Noteholders”).
- Notwithstanding the above, in respect of the exercise of certain specified rights, the Controlling Creditors shall be the holders of debt secured by the Shared Collateral (i.e. First Priority Secured Debt and New Notes Secured Debt) that hold 50.1% or more of the aggregate principal amount of all First Priority Secured Debt and New Notes Secured Debt (“Majority Total Debtholders”). For example, these specified rights exercisable by the Majority Total Debtholders include the right to amend or waive the terms of the IP Agreements (subject to certain exceptions, such as if New Notes Secured Debt is receiving interest on a current basis) and rights to permit the New Notes Issuer and the Guarantors to access or use cash collateral (subject to certain exceptions, such as if the New Notes Secured Debt receives the benefit of any interest, fees or collateral granted to the First Priority Secured Debt).

As used above, the “Majority New Notes Collateral Enforcement Date” is the date that is 180 days after an event of default has occurred under any series of New Notes Secured Debt and all of the obligations under the New Notes Secured Debt are due and payable. However, the occurrence of this date shall be delayed if the collateral agents are exercising remedies in respect of the Shared Collateral or if an insolvency proceeding has commenced.

Azul Cargo Intercreditor Agreement

As a condition to the incurrence of Azul Cargo Priority Secured Debt, the trustee, as representative of the holders of the New Notes, shall become a party to an intercreditor, shared collateral and accounts agreement in respect of the Azul Cargo Collateral (the “Azul Cargo Intercreditor Agreement”) with the trustees, agents, other representatives or, if applicable, the creditors, of debt secured by the Azul Cargo Collateral. The Azul Cargo Intercreditor Agreement will govern the priority of payments as between the secured creditors. In addition, the Azul Cargo Intercreditor Agreement will also govern the exercise of remedies in respect of the Azul Cargo Collateral.

Priority of Payments

The Azul Cargo Intercreditor Agreement will provide that the Azul Cargo Collateral shall secure the New Notes and the New Notes Guarantees on a “second out” basis pursuant to the terms of the Azul Cargo Intercreditor Agreement and shall have the right to receive payments from the Azul Cargo Collateral, including the proceeds of any enforcement of such Azul Cargo Collateral, on a “second out” basis after any payments from the Azul Cargo Collateral, including the proceeds of any enforcement of such Azul Cargo Collateral, payable in respect of the Azul Cargo Priority Secured Debt in accordance with the terms of the Azul Cargo Intercreditor Agreement.

Exercise of Remedies

The Azul Cargo Intercreditor Agreement will govern the exercise of remedies and enforcement actions in respect of the Azul Cargo Collateral, which includes the action that can be taken in respect of the Azul Cargo Collateral after events of default under debt secured by the Azul Cargo Collateral.

Important Notes

This communication is for information purposes only. This communication is not and shall not constitute (i) an offer to buy, or a solicitation of an offer to sell, the Existing Notes or any other securities, (ii) the solicitation of consents from any holders of the Existing Notes or any other securities, or (iii) an offer to sell, or the solicitation of an offer to buy, the New Notes or any other securities. There shall be no offering or sale of the New Notes or other securities, and no solicitation of consents from any holders of the Existing Notes or any other securities, in any jurisdiction in which such offer, sale or solicitation would be unlawful. Any offer or solicitation will only be made pursuant to a separate disclosure or solicitation document and only to such persons and in such jurisdictions as permitted under applicable law.

The offering of the New Notes pursuant to the Exchange Offers has not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”). The New Notes may not be offered or sold absent registration under, pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes will be offered for exchange only (i) to “qualified institutional buyers” as defined in Rule 144A under the Securities Act, and (ii) outside the United States, to persons other than “U.S. persons” as defined in Rule 902 under the Securities Act in compliance with Regulation S under the Securities Act.

The New Notes have not been and will not be issued or placed, distributed, offered or traded in the Brazilian capital markets. The issuance of the New Notes has not been nor will be registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*) (the “CVM”). Any public offering or distribution, as defined under Brazilian laws and regulations, of the New Notes in Brazil is not legal without prior registration under Law No. 6,385, dated December 15, 1976, as amended, and CVM Resolution No. 160, dated July 13, 2022, as amended. Documents relating to the offering of the New Notes, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the New Notes is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the New Notes to the public in Brazil. The New Notes will not be offered or sold in Brazil, except in circumstances, which do not constitute a public offering,

placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian legislation.

Forward-Looking Statements

This communication includes estimates and forward-looking statements within the meaning of the U.S. federal securities laws. These estimates and forward-looking statements are based mainly on our current expectations and estimates of future events and trends that affect or may affect our business, financial condition, results of operations, cash flow, liquidity, prospects and the trading price of our securities, including the Existing Notes and the New Notes. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions in light of information currently available to us, they are subject to many significant risks, uncertainties and assumptions, including those factors discussed under the heading "Risk Factors" in the Company's annual report on Form 20-F for the year ended December 31, 2022 and any other cautionary statements which may be made or referred to in connection with any such estimates and forward-looking statements.

In this communication, the words "believe," "understand," "may," "will," "aim," "estimate," "continue," "anticipate," "seek," "intend," "expect," "should," "could," "forecast" and similar words are intended to identify forward-looking statements. You should not place undue reliance on such statements, which speak only as of the date they were made. Except as required by applicable law, we do not undertake any obligation to update publicly or to revise any forward-looking statements after the date of this communication because of new information, future events or other factors. Our independent public auditors have neither examined nor compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. In light of the risks and uncertainties described above, the future events and circumstances discussed in this communication might not occur and are not guarantees of future performance. Because of these uncertainties, you should not make any investment decision based upon these estimates and forward-looking statements.

About Azul

Azul S.A. (B3: AZUL4, NYSE: AZUL), the largest airline in Brazil by number of flight departures and cities served, offers 1,000 daily flights to over 160 destinations. With an operating fleet of over 170 aircraft and more than 13,000 Crewmembers, the Company has a network of 300 non-stop routes as of December 2022. Azul was named by Cirium (leading aviation data analysis company) as the most on-time airline in the world in 2022, being the first Brazilian airline to obtain this honor. In 2020 Azul was awarded best airline in the world by TripAdvisor, first time a Brazilian Flag Carrier earns number one ranking in the Traveler's Choice Awards. For more information visit www.voeazul.com.br/ir.

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