

Azul Announces Exchange Offer in respect of Existing 2028 First Out Notes for New Notes and Solicitation of Consents to Proposed Amendments to the Existing Indenture

São Paulo, December 17, 2024 – Azul S.A., “Azul,” (B3: AZUL4, NYSE: AZUL) (“Azul”) today announced that its wholly-owned subsidiary Azul Secured Finance LLP (the “Issuer”) has commenced an offer to Eligible Holders (as defined below) to exchange (such offer, the “Exchange Offer”) any and all of the outstanding 11.930% Senior Secured First Out Notes due 2028 issued by the Issuer (the “Existing Notes”) for newly issued 11.930% Senior Secured First Out Notes due 2028 to be issued by the Issuer (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 December 17, 2024 in respect of the Exchange Offer and Solicitation (as defined below) regarding the New Notes (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.

The New Notes will be guaranteed by Azul, Azul Linhas Aéreas Brasileiras S.A., IntelAzul S.A., ATS Viagens e Turismo Ltda., Azul IP Cayman Holdco Ltd., Azul IP Cayman Ltd, Azul Conecta Ltda., Azul Investments LLP and Azul Secured Finance II LLP (together, the “Guarantors”). The New Notes will constitute First Priority Secured Obligations and will, pursuant to the Intercreditor Agreement, be secured on a “first out” basis by the Shared Collateral after payments with respect to the Superpriority Secured Obligations, as more fully described in the Offering Memorandum.

CUSIP/ISIN	Title of Security	Principal Amount Outstanding ⁽¹⁾	Exchange Consideration per US\$1,000 ⁽²⁾	Consent Amount per US\$1,000	Early Exchange Premium per US\$1,000 ⁽²⁾⁽³⁾	November 2024 PIK Interest Cash Payment per US\$1,000 ⁽⁴⁾	Total Early Exchange Consideration per US\$1,000 ⁽²⁾
CUSIP: 05501W AC6 / U0551Y AC9	11.930% Senior Secured First Out Notes due 2028	US\$1,014,869,901	Principal amount of New Notes equal to US\$950.00 minus the November 2024 PIK Interest Cash Payment	US\$65.00 in principal amount of Consent Fee Notes (subject to mandatory exchange for First Out Consent Fee Exchangeable Notes)	US\$50.00 in principal amount of New Notes	US\$29.83 payable in cash	US\$1,065.00 in principal amount of New Notes minus the November 2024 PIK Interest Cash Payment
ISIN: US05501WAC64/ USU0551YAC94							

- (1) As of the date of the Offering Memorandum, the aggregate principal amount outstanding of the Existing Notes is US\$1,014,869,90 (which is equal to the US\$985,478,000 aggregate principal amount immediately prior to the November 2024 PIK Payment plus the US\$29,391,901 aggregate principal amount issued pursuant to the November 2024 PIK Payment made on November 29, 2024).
- (2) The Issuer will issue New Notes in the minimum denomination of US\$100,000 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 Issuer will not pay, on the relevant Settlement Date, any accrued and unpaid interest in cash with respect to the Existing Notes accepted for exchange by the Issuer. However, the commencement date for the New Notes issued pursuant to the Exchange Offer shall be November 28, 2024 (which is the start of the prevailing interest period for the Existing Notes on the relevant Settlement Date).
- (3) Eligible Holders who validly tender Existing Notes 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 Existing Notes validly tendered and not validly withdrawn.
- (4) The “November 2024 PIK Interest Cash Payment” is a payment in U.S. dollars equal to US\$29.83 for every US\$1,000 in aggregate principal amount of the Existing Notes. The November 2024 PIK Interest Cash Payment is equal to the November 2024 PIK Payment (subject to rounding to comply with the integral multiples of US\$1.00 applicable to the New Notes) and, if the Exchange Offer is consummated, shall be due and payable in cash on the Settlement Date.

Simultaneously with the Exchange Offer, the Issuer is conducting a solicitation (the “Solicitation”) of consents (the “Consents”) from Eligible Holders of the Existing Notes to effect certain proposed amendments (the “Proposed Amendments”) to the indenture dated as of July 20, 2023, as supplemented

from time to time, under which the Existing Notes were issued (the “Existing Notes Indenture”). The Proposed Amendments with respect to the Existing Notes Indenture would eliminate substantially all of the restrictive covenants, events of default and related provisions in a customary exit consent solicitation and release the collateral securing the Existing Notes, meaning that any Existing Notes that remain outstanding after the consummation of the Exchange Offer will be unsecured obligations of the Issuer and the guarantors thereof.

The valid tender of Existing Notes by an Eligible Holder pursuant to the 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. Pursuant to the terms of the Existing Notes Indenture, the Proposed Amendments require the consent of holders of 66.67% in aggregate principal amount of outstanding Existing Notes issued under the Existing Notes Indenture. Neither the Issuer nor any of its affiliates shall pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, in respect of the Solicitation of the Consents for the Proposed Amendments.

Azul has entered into a Transaction Support Agreement (the “Transaction Support Agreement”) dated October 27, 2024, among the Issuer, the Guarantors and an ad hoc group of holders of the Existing Notes, the Existing Second Out Notes and the Convertible Debentures (the “Supporting Noteholders”), and other supporting creditors. 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 Offer and deliver Consents to the Proposed Amendments. The Supporting Noteholders represent in excess of 66.67% of the aggregate principal amount of the outstanding Existing Notes issued under the Existing Notes Indenture.

The Exchange Offer and Solicitation may be amended, extended, terminated or withdrawn at any time prior to the Expiration Deadline (as defined below) and for any reason. The Issuer will announce any extension of the Expiration Deadline no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Deadline.

Important Dates and Times

Commencement of the Exchange Offer and the Solicitation:	December 17, 2024.
Withdrawal Deadline:	5:00 p.m., New York City time, on January 7, 2025, unless extended by the Issuer.
Early Participation Deadline:	5:00 p.m., New York City time, on January 7, 2025, unless extended by the Issuer.
Expiration Deadline:	11:59 p.m., New York City time, on January 15, 2025, unless extended by the Issuer.
Early Settlement Date:	If the Issuer elects to have an Early Settlement Date, the Early Settlement Date will be determined at the Issuer’s option and announced by the Issuer, subject to all conditions to the Exchange Offer having been satisfied or waived (to the extent waivable) by the Issuer, any time on or after the Early Participation Deadline and prior to the Final Settlement Date.
Final Settlement Date:	Expected to be January 22, 2025 (the fourth business day following the Expiration Deadline), unless extended by the Issuer.

Upon the terms and subject to the conditions set forth in the Offering Memorandum, Eligible Holders that validly tender Existing Notes and deliver related Consents at or prior to 5:00 p.m., New York City time, on January 7, 2025 (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 January 7, 2025, (the “Withdrawal Deadline”), and whose Existing Notes are accepted for exchange by the Issuer, will receive the Total Early Exchange Consideration, which will be payable in the forms of consideration as described below.

The “Total Early Exchange Consideration” for tenders of the Existing Notes that are accepted for exchange by the Issuer will consist of New Notes to be issued by the Issuer in the aggregate principal amount set forth in the above table, which includes the “Early Exchange Premium” and the “November 2024 PIK Interest Cash Payment,” each as set forth in the above table.

Upon the terms and subject to the conditions set forth in the Offering Memorandum, Eligible Holders that 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 January 15, 2025, unless extended or earlier terminated by the Issuer (such date and time, as they may be extended, the “Expiration Deadline”), and whose Existing Notes are accepted for exchange by the Issuer, will receive the Total Early Exchange Consideration minus the Early Exchange Premium (the “Exchange Consideration”).

Upon the terms and subject to the conditions of the Exchange Offer, the settlement date for the Exchange Offer will occur promptly after the Expiration Deadline (the “Final Settlement Date”). The settlement of the Exchange Offer will take place the same day as the closing for the Superpriority Notes.

If, at any time on or after the Early Participation Deadline, all conditions have been satisfied or waived by the Issuer, the Issuer may elect, in its sole discretion, to settle the Exchange Offer for Existing Notes validly tendered (and not validly withdrawn) prior to the Early Participation Deadline for the Exchange Offer at any time after the Early Participation Deadline and prior to the Expiration Deadline (the “Early Settlement Date” and, together with the Final Settlement Date, each a “Settlement Date”).

If the Issuer elects to have an Early Settlement Date, the Early Settlement Date will be determined at the Issuer’s option and announced by the Issuer. The Final Settlement Date is expected to be January 22, 2025 unless extended by the Issuer, which is the fourth business day following the Expiration Deadline.

The Issuer will not pay, on the relevant Settlement Date, any accrued and unpaid interest in cash with respect to the Existing Notes accepted for exchange by the Issuer. However, the interest commencement date for the New Notes issued pursuant to the Exchange Offer shall be November 28, 2024 (which is the start of the prevailing interest period for the Existing Notes on the relevant Settlement Date).

DTC participants are requested to transmit their acceptance of the Exchange Offer through ATOP on a per-beneficial owner basis, no Eligible Holder may tender less than all of its Existing Notes in the Exchange Offer, and the Existing Notes may be tendered and will be accepted for payment only in principal amounts equal to the minimum denomination of US\$100,000 and integral multiples of US\$1.00 in excess thereof.

The obligation of the Issuer to complete the Exchange Offer and the Solicitation is subject to certain conditions described in the Offering Memorandum (the “Conditions”), which include (i) the receipt of Existing Notes validly tendered (and not validly withdrawn) prior to the Expiration Deadline representing not less than 66.67% of the aggregate principal amount of Existing Notes outstanding (the “Minimum Exchange Condition”), (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) the issuance of at least US\$500,000,000 in aggregate principal amount of the Superpriority Notes, secured by the Shared Collateral and other collateral on a “superpriority” basis and subject to the Transaction Support Agreement, (iv) the consummation of Second Out Notes Exchange Offers in accordance with the terms set forth in the Second Out Notes Exchange Offer Memorandum, (v) if the Issuer elects to have an Early Settlement Date, the Issuer shall determine that the New Notes issued by the Issuer on the Final Settlement Date will be fungible with the New Notes issued by the Issuer on the Early Settlement Date for U.S. federal income tax purposes, and (vi) certain other customary conditions. Certain of these conditions are subject to waiver by Azul.

Pursuant to the terms of the Existing Notes Indenture, the Proposed Amendments require the written consent of holders of a 66.67% in aggregate principal amount of outstanding Existing Notes issued under the Existing Notes Indenture.

At any time after the Withdrawal Deadline and before the Final Settlement Date (or the Early Settlement Date, if the Issuer elects to have an Early Settlement Date), upon receipt of valid Consents sufficient to effect the Proposed Amendments with respect to Existing Notes, the Issuer and the Existing Notes Trustee under the Existing Notes Indenture may execute and deliver a supplemental indenture relating to the Proposed Amendments with respect to the Existing Notes Indenture immediately giving effect to such Proposed Amendments.

The Issuer will not receive any cash proceeds from the Exchange Offer or the issuance of the New Notes to be issued by the Issuer in the Exchange Offer. The Existing Notes acquired by the Issuer pursuant to the Exchange Offer will be cancelled and will not be reissued.

The offering, issuance and sale of the New Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws. Only Eligible Holders of Existing Notes who have properly completed and submitted the Eligibility Certification are authorized to receive and review the Offering Memorandum. The Eligibility Certification requires holders of Existing Notes to certify, among other things, that they are either (1) a U.S. Person that is also a qualified institutional buyer (as defined in Rule 144A under the Securities Act) that is not, has not been during the prior three months prior, and on the applicable Settlement Date will not be, a director, officer or “affiliate” (as defined in Rule 144 under the Securities Act) of the Issuer or any other Obligor; or (2) a person other than a U.S. Person (as defined in Rule 902(k) under the Securities Act) that is outside the United States. Only Eligible Holders that also comply with the other requirements set forth in the Offering Memorandum are eligible to participate in the Exchange Offer and the Solicitation. In addition, the New Notes may not be transferred to or held by a Competitor.

Holders who desire to obtain and complete an eligibility certification and access the Offering Memorandum should visit the website for this purpose at <https://projects.sodali.com/azul>. Morrow Sodali International LLC, trading as Sodali & Co (“Sodali & Co”), serves as the information agent and exchange agent (the “Information and Exchange Agent”) in connection with the Exchange Offer and the Solicitation. Questions regarding the Exchange Offer and the Solicitation can be directed to Sodali & Co at its telephone numbers +1 203 658 9457 and +44 20 4513 6933 or by email at azul@investor.sodali.com.

Eligible Holders are informed that the expected CUSIP and ISIN numbers for the New Notes are set forth in the table below.

	New Notes
CUSIP	Unrestricted: 05501WAD4 Regulation S: U0551YAE5
ISIN	Unrestricted: US05501WAD48 Regulation S: USU0551YAE50

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 Offer and Solicitation are being made only pursuant to the Offering Memorandum and only to such persons and in such jurisdictions as is permitted under applicable law.

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 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 Brazilian Securities Markets Law, and CVM Resolution 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, except to professional investors (as defined under Brazilian laws and regulations), and in accordance with CVM Resolution 160. 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. Holders of Existing Notes should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

None of the Issuer, the Guarantors, any of their respective directors or officers, the Information and Exchange Agent, or the Existing Notes Trustee, the New Notes Trustee, 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 the Exchange Offer, or deliver Consents in response to the Solicitation. Eligible Holders will need to make their own decision as to whether to tender Existing Notes in the Exchange Offer and participate in the Solicitation 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 the US federal securities laws. These 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), including the potential impacts of the material transactions referred to in this press release. Although we believe that any forward-looking statements are based upon reasonable assumptions in light of information currently available to us, any such forward-looking statements 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, 2023 and any other cautionary statements which may be made or referred to in connection with any such forward-looking statements.

In this press release, 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 press release 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 press release might not occur and are not guarantees of future performance. Because of these uncertainties, you should not make any investment decision based upon these 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 180 aircraft and more than 15,000 Crewmembers, Azul has a network of 300 non-stop routes. 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, the first time a Brazilian flag carrier earned the number one ranking in the Traveler’s Choice Awards.

For more information visit <https://ri.voeazul.com.br/en>. Information on Azul’s website does not constitute a part of this press release.