LISTING PARTICULARS DATED JULY 19, 2023

US$294,215,000 11.500% Senior Secured Second Out Notes due 2029

and

US$568,219,500 10.875% Senior Secured Second Out Notes due 2030

issued by

AZUL SECURED FINANCE LLP

and guaranteed by the Guarantors (as defined below)

These listing particulars dated July 19, 2023 (these "Listing Particulars") have been prepared solely in connection with the listing of the Notes (as defined below) on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

These Listing Particulars should be read together with the Exchange Offering Memorandum and Consent Solicitation Statement dated July 13, 2023 pursuant to which the Notes were offered and sold, which is attached as an Exhibit hereto (the "Exchange Offering Memorandum"). The Exhibit forms part of these Listing Particulars. Any capitalized terms used herein but not defined shall have the meaning given to them in the Exchange Offering Memorandum.

Issuance of the Notes

The Notes were issued in connection with the Exchange Offers and the offering and sale of the Notes has been completed.

On July 14, 2023, Azul Secured Finance LLP, a limited liability partnership formed under the laws of the State of Delaware (the "Issuer") issued (i) US$294,215,000 aggregate principal amount of the 11.500% Senior Secured Second Out Notes due 2029 (the "2029 Notes"), and (ii) US$568,219,500 10.875% aggregate principal amount of Senior Secured Second Out Notes due 2030 (the "2030 Notes" and, together with the 2029 Notes, the "Notes").

Terms of the Notes

The Notes are issued by the Issuer and irrevocably and unconditionally guaranteed by each of the following guarantors (together, the "Guarantors" and, together with the Issuer, the "Obligors"): (i) Azul S.A., a Brazilian corporation (*sociedade por ações*) (the "Parent Guarantor"), (ii) Azul Linhas Aéreas Brasileiras S.A., a Brazilian corporation (*sociedade por ações*), (iii) IntelAzul S.A., a Brazilian corporation (*sociedade por ações*), (iv) ATS Viagens e Turismo Ltda. a Brazilian limited liability company (*sociedade limitada*), (v) Azul IP Cayman Holdco Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands, and (vi) Azul IP Cayman Ltd., an exempted company incorporated with limited liability under the laws of the Cayman Islands. The terms of the Notes, including the Collateral that secures the Notes, are as described in the Exchange Offering Memorandum.

Security Identifiers and Clearing and Settlement of the Notes

The security identifiers for the Notes are set forth in the table below:

Notes	Form	CUSIP	ISIN	Common Code
11.500% Senior Secured Second Out Notes due 2029	Rule 144A	05501WAA0	US05501WAA09	263903056
11.500% Senior Secured Second Out Notes due 2029	Regulation S	U0551YAA3	USU0551YAA39	263903129
10.875% Senior Secured Second Out Notes due 2030	Rule 144A	05501WAB8	US05501WAB81	263903072
10.875% Senior Secured Second Out Notes due 2030	Regulation S	U0551YAB1	USU0551YAB12	263903145

The Notes have been accepted for clearance and settlement through The Depository Trust Company, Euroclear Bank SA/NV as operator of the Euroclear System and Clearstream Banking, *société anonyme*.

Listing of the Notes

Application has been made to, and approval-in-principal has been received from, the SGX-ST for the Notes to be listed on the Official List of the SGX-ST and for the Notes to be traded on the SGX-ST.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed, or reports contained in, these Listing Particulars or in the documents incorporated by reference into these Listing Particulars. The application to, approval in-principle from, admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the Notes, the Exchange Offers, the Obligors or the other subsidiaries of the Parent Guarantor.

Notification Pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore: The Notes are prescribed capital markets products as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The offering and sale of the Notes has been completed. Neither these Listing Particulars nor the Exchange Offering Memorandum has been and will be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes were not made the subject of an invitation for subscription or purchase, and none of these Listing Particulars, the Exchange Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes was circulated or distributed, nor were the Notes offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA (as defined below)) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Neither the Existing Notes Issuer nor the Issuer registered the Notes under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, the Notes were only offered and sold pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

Incorporation by Reference

The following documents are incorporated by reference into these Listing Particulars:

(i) the following documents which were incorporated by reference into the Exchange Offering Memorandum:

- Azul's annual report on Form 20-F for the year ended December 31, 2022, which is dated April 19, 2023, and was filed with the SEC on April 20, 2023; and

- Azul's First Quarter 2023 Form 6-K, which is dated and furnished to the SEC on June 13, 2023; and

(ii) the following additional documents:

- the announcement issued by the Parent Guarantor dated June 28 2023 titled "*Azul Announces Early Participation Results for the Previously Announced Exchange Offers of Certain Existing Notes for New Notes and the Solicitations of Consents to Proposed Amendments to the Existing Indentures*;

- the announcement issued by the Parent Guarantor dated July 12, 2023 titled "*Azul Announces Expected Settlement Date for the Previously Announced Exchange Offers of Certain Existing Notes for New Notes and the Solicitations of Consents to Proposed Amendments to the Existing Indentures*"; and

- the announcement issued by the Parent Guarantor dated July 13, 2023 titled "*Azul Announces Expiration and Final Results of Previously Announced Exchange Offers of Certain Existing Notes for New Notes and the Solicitations of Consents to Proposed Amendments to the Existing Indentures*".

EXHIBIT
EXCHANGE OFFERING MEMORANDUM

CONFIDENTIAL EXCHANGE OFFERING MEMORANDUM AND CONSENT SOLICITATION STATEMENT

AZUL INVESTMENTS LLP

Offer to Exchange Any and All of the 5.875% Senior Notes due 2024 for 11.500% Senior Secured Second Out Notes due 2029 to be issued by Azul Secured Finance LLP, and
Offer to Exchange Any and All of the 7.250% Senior Notes due 2026 for 10.875% Senior Secured Second Out Notes due 2030 to be issued by Azul Secured Finance LLP,
and, in each case, a Solicitation of Consents

Each of the Exchange Offers (as defined below) will expire at 11:59 p.m., New York City time, on July 12, 2023, unless extended or earlier terminated by the Existing Notes Issuer (as defined below) (such date and time, as they may be extended, the "Expiration Deadline"). To be eligible to receive the Early Exchange Premium (as defined below), Eligible Holders must validly tender their Existing Notes and deliver their Consents (as defined below) 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"). Tenders of Existing Notes may be validly withdrawn and delivery of the related Consents may be validly revoked at any time 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"), but not thereafter, unless otherwise required by law.

The Existing Notes Issuer is offering to exchange in two separate offers, upon the terms and subject to the conditions set forth in this confidential exchange offering memorandum and consent solicitation statement (this "Offering Memorandum"), (i) any and all of the outstanding 5.875% Senior Notes due 2024 issued by the Existing Notes Issuer (the "Existing 2024 Notes") for 11.500% Senior Secured Second Out Notes due 2029 to be issued by 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 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").

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 (as defined below) of the Existing 2024 Notes to effect certain proposed amendments (the "2024 Proposed Amendments") to the indenture dated as of October 26, 2017, between the Existing Notes Issuer, as issuer, Azul and Azul Linhas (each as defined below), as guarantors, and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank, National Association), as the trustee (the "2024 Notes Trustee"), 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, between the Existing Notes Issuer, as issuer, Azul and Azul Linhas, as guarantors, and UMB Bank, National Association, as the trustee (the "2026 Notes Trustee" and, together with the 2024 Notes Trustee, the "Existing Notes Trustees"), under which the Existing 2026 Notes were issued (the "2026 Notes Indenture" and, together with the 2024 Notes Indenture, the "Existing Notes Indentures"). 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. The Proposed Amendments with respect to each Existing Notes Indenture would eliminate substantially all of the restrictive covenants, events of default and related provisions contained in such Existing Notes Indenture. 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. Neither the Existing Notes 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.

We have entered into a Transaction Support Agreement (the "Transaction Support Agreement") dated June 13, 2023, between the Obligors 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 Offering Memorandum. The consent of Supporting Noteholders suffices to approve the Proposed Amendments in respect of the Existing Notes of each series. See "Proposed Amendments to the Existing Notes Indentures."

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, including if any of the conditions specified herein of each Exchange Offer are not satisfied or waived by the Expiration Deadline (or the Early Settlement Date (as defined below), if the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series), subject to applicable law. 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, which include, with respect to the Existing 2024 Notes, the receipt of Existing 2024 Notes validly tendered (and not validly withdrawn) prior to the Expiration Deadline representing not less than 70% of the aggregate principal amount of Existing 2024 Notes outstanding (the "2024 Notes Minimum Exchange Condition") and, with respect to the Existing 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 (the "Aggregate Minimum Exchange Condition" and, together with the 2024 Notes Minimum Exchange Condition, each a "Minimum Exchange Condition").

CUSIP No./ISIN	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 (as defined below) 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. See "Total Early Exchange Premium and Exchange Consideration" below. 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 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.

(2) Eligible Holders who validly tender Existing Notes of a series after the Early Participation Deadline 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.

You should consider the risk factors beginning on page 38 of this Offering Memorandum before you decide whether to participate in the Exchange Offers and the Solicitations.

Consummation of the Exchange Offers and the Solicitations is subject to the satisfaction or waiver of certain conditions, including among others, the Minimum Exchange Conditions, the Convertible Debentures Amendments Condition (as defined under "Description of Certain Indebtedness and Other Obligations—Convertible Debentures—Convertible Debentures Amendments"), the AerCap Secured Obligations Amendments Condition (as defined under "Description of Certain Indebtedness and Other Obligations—AerCap Secured Obligations—AerCap Secured Obligations Amendments"), and the Amendments and Waivers Condition (as defined under "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—Amendments and Waivers Condition"). See "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations."

There is currently no public market for the New Notes. Application will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and the listing and quotation of the New Notes on the Official List of the SGX-ST. There is no guarantee that such application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed, or reports contained in, this Offering Memorandum or in the documents incorporated by reference into this Offering Memorandum. The application to, approval in-principle from, admission of the New Notes to the Official List of, the SGX-ST and quotation of the New Notes on the SGX-ST are not to be taken as an indication

of the merits of the Exchange Offers, Azul, its subsidiaries, their respective associated companies, their respective joint venture companies or the New Notes.

Notification Pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore—The New Notes are prescribed capital markets products as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Neither the Existing Notes Issuer nor the New Notes Issuer has registered the New Notes under the Securities Act of 1933, as amended (the "Securities Act"). The New Notes may not be offered or sold absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes are being offered for exchange only (1) to "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("QIBs"), and (2) 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 (collectively, "Regulation S Holders"). In addition, the New Notes may not be transferred to or held by a Competitor (as defined under "Description of New Notes—Certain Definitions"). For a description of certain restrictions on transfers of the New Notes, see "Transfer Restrictions" and "Offer and Distribution Restrictions."

Only holders of Existing Notes who have properly completed and submitted the Eligibility Certification (as defined under "Description of the Exchange Offers and the Solicitations") ("Eligible Holders") are authorized to receive and review this Offering Memorandum. Only Eligible Holders that also comply with the other requirements set forth in this Offering Memorandum are eligible to participate in the Exchange Offers and the Solicitations.

Sole Structuring Agent and Lead Dealer Manager and Solicitation Agent

Citigroup

Dealer Managers and Solicitation Agents

Itaú BBA

J.P. Morgan

UBS Investment Bank

Financial Advisor

Seabury Capital

June 13, 2023

Azul Investments LLP, a limited liability partnership formed under the laws of the State of Delaware (the "Existing Notes Issuer,"), is making offers to Eligible Holders to exchange its outstanding Existing Notes of the relevant series, upon the terms and subject to the conditions set forth in this Offering Memorandum, for New Notes of the relevant series to be issued by Azul Secured Finance LLP, a limited liability partnership formed under the laws of the State of Delaware (the "New Notes Issuer"), as listed in the table on the front cover of this Offering Memorandum (the "Exchange Offers"). The Existing Notes Issuer's obligation to complete an Exchange Offer and related Solicitation with respect to a particular series of Existing Notes is subject to the satisfaction or waiver of certain conditions, including among others, the Minimum Exchange Conditions, the Convertible Debentures Amendments Condition (which condition may not be waived), the AerCap Secured Obligations Amendments Condition (which condition may not be waived), and the Amendments and Waivers Condition. See "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations." Copies of documents referred to in this Offering Memorandum will be made available to prospective participants in the Exchange Offers at no cost upon request to us.

The New Notes will be issued by the New Notes Issuer and irrevocably and unconditionally guaranteed by each of the following guarantors (together, the "Guarantors" and, together with the New Notes Issuer, the "Obligors"): (i) Azul S.A., a Brazilian corporation (*sociedade por ações*) ("Azul" or the "Parent Guarantor"), (ii) Azul Linhas Aéreas Brasileiras S.A., a Brazilian corporation (*sociedade por ações*) ("Azul Linhas"), (iii) IntelAzul S.A., a Brazilian corporation (*sociedade por ações*) ("IntelAzul"), (iv) ATS Viagens e Turismo Ltda. a Brazilian limited liability company (*sociedade limitada*) ("Azul Viagens"), (v) Azul IP Cayman Holdco Ltd., an exempted company to be incorporated with limited liability under the laws of the Cayman Islands prior to the first Settlement Date ("IP HoldCo"), and (vi) Azul IP Cayman Ltd., an exempted company to be incorporated with limited liability under the laws of the Cayman Islands prior to the first Settlement Date ("IP Co" and together with IP HoldCo, the "IP Parties").

The New Notes and the guarantees thereof of the Guarantors (the "New Notes Guarantees") rank (i) equally in right of payment with all of the Obligors' existing and future senior unsubordinated obligations (except those obligations preferred by operation of law, including labor and tax claims, and except as provided with respect to the First Priority Secured Debt (as defined under "Description of New Notes—Certain Definitions") under "Description of New Notes—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" and except as provided with respect to the Azul Cargo Priority Secured Debt (as defined under "Description of New Notes—Certain Definitions") under "Description of New Notes—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement"), (ii) senior in right of payment to the Obligors' existing and future subordinated indebtedness, (iii) effectively senior to all existing and future indebtedness of the Obligors that is not secured by a lien, to the extent of the value of (a) the Shared Collateral (as defined under "Description of Collateral") after payment in full of the First Priority Secured Obligations (as defined under "Description of New Notes—Certain Definitions") and giving effect to the rights of the First Priority Secured Debt to receive payments prior to the New Notes, and (b) the Azul Cargo Collateral (as defined under "Description of Collateral") after payment in full of the Azul Cargo Priority Secured Debt and giving effect to the rights of the Azul Cargo Priority Secured Debt to receive payments prior to the New Notes, (iv) effectively subordinated to any existing or future indebtedness of the Obligors that is secured by liens on assets that do not constitute a part of the Shared Collateral and the Azul Cargo Collateral to the extent of the value of such assets, (v) effectively subordinated to any existing or future First Priority Secured Debt (including the AerCap Secured Obligations and the Convertible Debentures (each as defined under "Description of New Notes—Certain Definitions")) that is secured by the Collateral on a "first out" basis pursuant to the terms of the Intercreditor Agreement (as defined under "Description of New Notes—General") which First Priority Secured Debt has the right to receive payments, including the proceeds of any enforcement of Shared Collateral, or any guarantees of any Series of Secured Debt (including the New Notes Guarantees), on a "first out" basis prior to the payment of amounts due and payable in respect of the New Notes Secured Obligations (as defined under "Description of New Notes—Certain Definitions"), except in certain cases as set forth under "Description of New Notes—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement", and (vi) effectively subordinated to any existing or future Azul Cargo Priority Secured Debt that is secured by the Azul Cargo Collateral on a "first out" basis pursuant to the terms of the Azul Cargo Intercreditor Agreement (as defined under "Description of New Notes—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement") which Azul Cargo Priority Secured Debt has the right to receive payments, including the proceeds of any enforcement of Azul Cargo Collateral, on a "first out" basis prior to the payment of amounts due and payable in respect of the New Notes and the New Notes and New Notes

Guarantees, except in certain cases as set forth under "Description of New Notes—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement." Notwithstanding the foregoing, your ability to enforce the New Notes, the New Notes Guarantees and any other obligations thereunder may be adversely affected by the laws and regulations otherwise applicable to the New Notes and the New Notes Guarantees. For more information, see "Risk Factors—Risk Factors Relating to the New Notes—The obligations under the New Notes will be subordinated to certain statutory liabilities," "—Insolvency laws in the United States, Cayman Islands and in Brazil may preclude Holders of New Notes from recovering payments due on the New Notes" and "—The insolvency laws of Brazil may provide you with less protection than would be the case under U.S. bankruptcy laws."

The New Notes Issuer may redeem the New Notes at its option, in whole or in part, at the times and redemption prices described under "Description of New Notes—Optional Redemption." The New Notes Issuer may also be required to redeem the New Notes, in whole or in part, at the times and redemption prices described under "Description of New Notes—Mandatory Prepayments; No Sinking Fund" and "Description of New Notes—Offers to Purchase."

Total Early Exchange Consideration and Exchange Consideration

Upon the terms and subject to the conditions set forth in this Offering Memorandum, Eligible Holders that validly tender Existing Notes and deliver related Consents at or prior to the Early Participation Deadline and who do not validly withdraw tendered Existing Notes and do not revoke such Consents at or prior to 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 table on the front cover of this Offering Memorandum, which includes the "Early Exchange Premium" for Existing Notes set forth in the table on the front cover of this Offering Memorandum.

Upon the terms and subject to the conditions set forth in this Offering Memorandum, Eligible Holders that validly tender Existing Notes and deliver related Consents after the Early Participation Deadline but at or prior to 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").

The "Early Participation Deadline" for each of the Exchange Offers is 5:00 p.m., New York City time, on June 27, 2023, unless extended, in which case the Early Participation Deadline will be such time and date to which the Early Participation Deadline is extended. The "Expiration Deadline" for each of the Exchange Offers is 11:59 p.m., New York City time, on July 12, 2023, unless extended, in which case the Expiration Deadline will be such time and date to which the Expiration Deadline is extended.

See "Description of the Exchange Offers and the Solicitations—Total Early Exchange Consideration and Exchange Consideration."

Early Settlement Date and Final Settlement Date

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"). The first Settlement Date (which would be the only Settlement Date if the Existing Notes Issuer does not elect to have an

Early Settlement Date) is also referred to as the "Closing Date" in certain other sections of this Offering Memorandum.

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.

On the applicable Settlement Date, the Existing Notes Issuer will deposit with DTC (as defined under "Summary of the Exchange Offers and the Solicitations") an amount of cash sufficient to pay any cash amounts related to accrued and unpaid interest (as described below) and the New 2029 Notes and the New 2030 Notes will be issued by the New Notes Issuer in exchange for any Existing 2024 Notes and Existing 2026 Notes, respectively, tendered for exchange and accepted for exchange by the Existing Notes Issuer on the applicable Settlement Date in the amount and manner described in this Offering Memorandum.

Accrued Interest

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.

Additional Amounts

Subject to the exceptions and limitations specified in relevant Existing Notes Indenture, the Existing Notes Issuer will pay additional amounts to Eligible Holders that participate in the Exchange Offers in respect of any withholding taxes imposed or levied by or on behalf of Brazil and the United States or any taxing authority therein or thereof, or any other jurisdiction from or through which Accrued Interest payments are made, with respect to Accrued Interest payable in the Exchange Offers, such that the amount received by such Eligible Holders after deduction of any such withholding tax will equal the applicable Accrued Interest.

No Fractional Amount of New Notes

Any series of Existing Notes may be tendered and will be accepted for payment only in principal amounts equal to the minimum denomination of US$200,000 and integral multiples of US$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Eligible Holders who do not tender all of their Existing Notes must retain at least a minimum denomination equal to US$200,000. The New Notes will be issued by the New Notes Issuer in a minimum denomination of US$175,000 and integral multiples of US$1.00 in excess thereof. If, under the terms of the Exchange Offers, any tendering Eligible Holder is entitled to receive New Notes in a principal amount that is not a permitted denomination, the principal amount of the New Notes will be rounded down to the nearest permitted denomination and no cash will be paid for fractional New Notes not received as a result of such rounding down. If, however, such Eligible Holder would be entitled to receive less than US$175,000 principal amount of New Notes, the Eligible Holder's tender will be rejected in full and the Existing Notes subject to this tender will be returned to the Eligible Holder.

No Partial Tenders

In order to tender Existing Notes of either series pursuant to the relevant Exchange Offer, Eligible Holders will be required, at the time of such tender, to certify to the Existing Notes Issuer that they (i) have validly tendered and not validly withdrawn any and all Existing Notes of each series beneficially owned by them pursuant to the Exchange Offers, and (ii) will not validly withdraw any such tender of any Existing Notes of either series if they have not also validly withdrawn any Existing Notes of the other series that they have tendered in the relevant Exchange Offer. No Eligible Holder may tender less than all of its Existing Notes in an Exchange Offer.

Conditions to the Exchange Offers and the Solicitations

The completion of the Exchange Offer for a series of Existing Notes, and of the execution of supplemental indentures relating to the Proposed Amendments with respect to the relevant Existing Notes Indenture, is subject to, and conditional upon, the satisfaction or waiver of certain conditions, including, among other things:

(i) with respect to the Existing 2024 Notes, the 2024 Notes Minimum Exchange Condition and, with respect to the Existing 2026 Notes, the Aggregate Minimum Exchange Condition;

(ii) the Convertible Debentures Amendments Condition, which condition may not be waived (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—Convertible Debentures Amendments Condition");

(iii) the AerCap Secured Obligations Amendments Condition, which condition may not be waived (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—AerCap Secured Obligations Amendments Condition");

(iv) the Amendments and Waivers Condition (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—Amendments and Waivers Condition");

(v) if the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, the condition that the Existing Notes Issuer determines that New Notes of the relevant series issued by the New Notes Issuer on the Final Settlement Date will be fungible with the New Notes of the relevant series issued by the New Notes Issuer on the Early Settlement Date for U.S. federal income tax purposes (the "Fungibility Condition") (see "Certain U.S. Federal Income Tax Considerations");

(vi) the condition that, as of the Expiration Deadline (or the date of acceptance, with respect to any Existing Notes accepted for exchange by the Existing Notes Issuer prior to the Expiration Deadline), the combination of the yield of the New Notes of the relevant series and the Total Early Exchange Consideration for the Existing Notes of the relevant series would result in such New Notes and such Existing Notes being treated as "substantially different" under Accounting Standards Codification Subtopic 470-50 (Modifications and Extinguishments) ("ASC 470-50"); and

(vii) that nothing has occurred or may occur that would or might, in the Existing Notes Issuer's judgment, be expected to prohibit, prevent, restrict or delay an Exchange Offer, a Solicitation or impair us from realizing the anticipated benefits of an Exchange Offer or of a Solicitation.

In addition, in the Existing Notes Issuer's sole discretion, subject to applicable law, the Existing Notes Issuer reserves the right to remove one or both series of Existing Notes from the Exchange Offers if the Existing Notes Issuer determines, in its reasonable judgment, that the desired accounting and tax treatment will not be achieved.

Solely as it relates to the Solicitations, the Existing Notes Issuer will not be required to enter into supplemental indentures relating to the Proposed Amendments with respect to each Existing Notes Indenture, and the Existing Notes Issuer may, in its sole discretion, terminate any of the Solicitations or, in its sole discretion, modify, extend or otherwise amend any of the Solicitations if, at or prior to the Expiration Deadline (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), the

Existing Notes Issuer has not received the applicable Consents required to approve the applicable Proposed Amendments. See "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations."

Withdrawal Rights

Tenders of Existing Notes tendered in the Exchange Offers may be validly withdrawn and related Consents may be validly revoked at any time at or prior to the Withdrawal Deadline, unless extended by the Existing Notes Issuer, but will thereafter be irrevocable, except in certain limited circumstances where additional withdrawal rights are required by law. Subject to applicable law, the Existing Notes Issuer may extend the Early Participation Deadline or the Expiration Deadline, with or without extending the Withdrawal Deadline. Tenders submitted in the Exchange Offers after the Withdrawal Deadline will be irrevocable except in the limited circumstances where additional withdrawal rights are required by law.

We are solely responsible for the information contained in, or incorporated by reference into, this Offering Memorandum. No person is authorized to give any information or to make any representation in connection with the Exchange Offers and the Solicitations other than as contained in this Offering Memorandum. If any such information is given or made, it must not be relied upon as having been authorized by the Existing Notes Issuer, Obligors, the Dealer Managers, the Financial Advisor, the Exchange Agent or the Information Agent (each as defined under "Summary of the Exchange Offers and the Solicitations") or any of their respective affiliates. We do not take any responsibility for any such information that is given to you. You should not assume that the information set forth is accurate as of any date other than the date of the documentation in which the information appears. Neither the delivery of this Offering Memorandum nor any exchange made in the Exchange Offers shall under any circumstances imply that there has been no change in the affairs of the Obligors or their respective subsidiaries or that the information set forth is correct as of any date subsequent to the date of the documentation in which the information appears.

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This Offering Memorandum may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Offering Memorandum is not permitted nor does it constitute an offer to buy or sell or a solicitation in any such jurisdiction, and persons located in any such jurisdiction are not permitted to participate in the Exchange Offers and the Solicitations. See "Transfer Restrictions" and "Offer and Distribution Restrictions."

This Offering Memorandum is submitted on a confidential basis only to Eligible Holders who have properly completed the Eligibility Certification. Its use for any other purpose is not authorized. Distribution of this Offering Memorandum to any person other than the Eligible Holder and any person retained to advise such Eligible Holder with respect to its participation in the Exchange Offers and the Solicitations is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Eligible Holders may not copy or distribute this Offering Memorandum in whole or in part to anyone without our prior consent or the prior consent of the Dealer Managers. Each Eligible Holder, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no copies or reproductions of this Offering Memorandum or any documents referred to in this Offering Memorandum (other than publicly available documents) in whole or in part.

None of the Existing Notes Issuer, the Obligors, any Dealer Manager or the Financial Advisor is making any representations to any Eligible Holder regarding the legality of an investment in any New Notes by such Eligible Holder under applicable legal investment or similar laws or regulations.

In making an investment decision regarding the New Notes, Eligible Holders must rely on their own examination of us, the terms of the Exchange Offers, the terms of the New Notes, and the terms of the Solicitations, including the merits and risks involved. Eligible Holders should not consider any information in this Offering Memorandum to be legal, business or tax advice. Eligible Holders should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an acquisition of the New Notes.

The Existing Notes Issuer and the New Notes Issuer are relying on exemptions from registration under the Securities Act for offers of the New Notes that do not involve a public offering. Because the offering, issuance and sale of the New Notes has not been registered under the Securities Act, they are subject to certain restrictions on transfer. Eligible Holders should read the information contained under "Transfer Restrictions" in this Offering Memorandum for a description of the restrictions on transfers of beneficial interests in the New Notes. By tendering Existing Notes and accepting the New Notes in the Exchange Offers and by delivering "Agent's Message" through ATOP (as described below), Eligible Holders will be deemed to have made certain acknowledgements, representations and agreements set forth in this Offering Memorandum. See "Description of the Exchange Offers and the Solicitations—Representations, Warranties and Covenants of Holders of Existing Notes." Eligible Holders should understand that they will be required to bear the financial risks of the investment in the New Notes for an indefinite period of time.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any other regulatory body has registered, recommended or approved of these securities or passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in, or incorporated by reference into, this Offering Memorandum, and, if given or made, such information or representation may not be relied upon as having been authorized by the Existing Notes Issuer, the Obligors, the Exchange Agent, the Information Agent, the Dealer Managers, the Financial Advisor, the Existing Notes Trustees or the New Notes Trustee (as defined under "Summary of the New Notes"). Neither the delivery of this Offering Memorandum nor any exchange hereunder will, under any circumstance, create any implication that the information herein is current as of any time subsequent to the date hereof, or that there has been no change in the affairs of Azul as of such date.

After the Expiration Deadline, the Existing Notes Issuer or its affiliates may from time to time purchase additional Existing Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or the Existing Notes Issuer may redeem Existing Notes to the extent permitted pursuant to the terms of the Existing Notes Indentures. Any future purchases may be on the same terms or on terms that are more or less favorable to Eligible Holders of Existing Notes than the terms of the Exchange Offers and, in either case, could

be for cash or other consideration. Any future purchases will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) the Existing Notes Issuer will choose to pursue in the future.

NONE OF THE EXISTING NOTES ISSUER, THE OBLIGORS, ANY OF THEIR RESPECTIVE DIRECTORS OR OFFICERS, THE DEALER MANAGERS OR THEIR RESPECTIVE AFFILIATES, THE FINANCIAL ADVISOR, THE EXCHANGE AGENT, THE INFORMATION AGENT, THE EXISTING NOTES TRUSTEES OR THE NEW NOTES TRUSTEE IS MAKING ANY RECOMMENDATION AS TO WHETHER ELIGIBLE HOLDERS SHOULD TENDER ANY EXISTING NOTES IN RESPONSE TO ANY OF THE EXCHANGE OFFERS, OR DELIVER CONSENTS IN RESPONSE TO THE SOLICITATIONS, AND NEITHER THE OFFERORS NOR ANY SUCH OTHER PERSON HAS AUTHORIZED ANY PERSON TO MAKE ANY SUCH RECOMMENDATION. HOLDERS MUST MAKE THEIR OWN DECISION AS TO WHETHER TO TENDER ANY OF THEIR NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF SUCH NOTES TO TENDER.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Presentation of Financial Information

In this Offering Memorandum, the discussion of our business includes the business of Azul and its direct and indirect subsidiaries, including the Existing Notes Issuer, the New Notes Issuer and each of the other Guarantors. Unless otherwise indicated or the context otherwise requires, the "Existing Notes Issuer" refers to Azul Investments LLP, the "New Notes Issuer" refers to Azul Secured Finance LLP and "Azul," "us," "we," or "our" refer to Azul S.A. and its consolidated subsidiaries. The term "Guarantors" refers to (i) Azul, (ii) Azul Linhas, (iii) IntelAzul, (iv) Azul Viagens, (v) IP HoldCo, and (vi) IP Co. The term "Brazil" refers to the Federative Republic of Brazil and the phrase "Brazilian government" refers to the federal government of Brazil. "Central Bank" refers to Banco Central do Brasil. References in this Offering Memorandum to "*real*," "Brazilian *real*," "*reais,*" "Brazilian *reais*" or "R$" refer to the Brazilian *real*, the official currency of Brazil and references to "U.S. dollar," "U.S. dollars" or "US$" refer to U.S. dollars, the official currency of the United States.

Certain of the financial information contained in, or incorporated by reference into, this Offering Memorandum is derived from (i) our unaudited interim condensed consolidated financial statements as of March 31, 2023, and for the three-month period ended March 31, 2023 and 2022, respectively, included in a Current Report on Form 6-K furnished to the SEC on June 13, 2023, which also contains an exhibit thereto setting forth certain recent developments and management's discussion and analysis of the financial condition and results of operations (also referred to as operating and financial review and prospects disclosure) of Azul in connection with such periods (the "First Quarter 2023 Form 6-K"); and (ii) our audited consolidated financial statements as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 included in our annual report on Form 20-F for the year ended December 31, 2022, dated April 19, 2023 and filed with the SEC on April 20, 2023 (the "2022 Form 20-F"). The First Quarter 2023 Form 6-K and the 2022 Form 20-F are incorporated by reference in this Offering Memorandum. Our unaudited interim condensed consolidated financial statements were prepared in accordance with IAS 34 Interim Financial Reporting, and our audited consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The financial information presented in this Offering Memorandum should be read in conjunction with our financial statements and the related notes included in the First Quarter 2023 Form 6-K and the 2022 Form 20-F, which are incorporated by reference into this Offering Memorandum.

Exchange Rates

This Offering Memorandum and the documents incorporated by reference into this Offering Memorandum (which include the First Quarter 2023 Form 6-K and the 2022 Form 20-F) contain conversions of certain Brazilian *real* amounts into U.S. dollar amounts at specified rates solely for the convenience of the reader. These conversions should not be construed as representations that the Brazilian *real* amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate or any other exchange rate as of that or any other date. Unless indicated otherwise, the U.S. dollar equivalent for information in Brazilian *reais* is based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00.

Non-IFRS Financial Measures

In addition to our financial information that has been prepared and presented in accordance with IFRS, this Offering Memorandum includes, and certain of the documents incorporated by reference into this Offering Memorandum may include, certain "non-GAAP financial measures", which we refer to as non-IFRS financial measures. These measures include: (i) EBITDA, which is calculated in accordance with Resolution No. 156, dated June 23, 2022, of the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or the "CVM"), and defined as net income (loss) minus financial result, net, current and deferred income tax and social contributions, and depreciation and amortization; and (ii) Adjusted EBITDA, which is defined as EBITDA adjusted to exclude result from related party transactions, net, impairment and onerous contracts and non-recurring items.

EBITDA and Adjusted EBITDA are not financial performance measures determined in accordance with IFRS and should not be considered in isolation or as alternatives to operating income or net income or loss, or as

indications of operating performance, or as alternatives to operating cash flows, or as indicators of liquidity, or as the basis for the distribution of dividends. Accordingly, you are cautioned not to place undue reliance on this information. A non-IFRS financial measure is generally defined as one that purports to measure financial performance, financial position or cash flows, but excludes or includes amounts that would not so be adjusted for in the most comparable IFRS measure. EBITDA and Adjusted EBITDA are included as supplemental disclosures because we believe they are useful indicators of our operating performance. EBITDA is a well-recognized performance measurement in the airline industry that is frequently used by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry.

The performance measures EBITDA and Adjusted EBITDA have limitations as analytical tools. Some of these limitations are: (i) EBITDA and Adjusted EBITDA do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; (ii) EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; (iii) EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and EBITDA and Adjusted EBITDA do not reflect any cash requirements for such replacements; and (v) EBITDA and Adjusted EBITDA are susceptible to varying calculations and therefore may differ materially from similarly titled measures presented by other companies in our industry, limiting their usefulness as comparative measures. Because of these limitations EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for financial measures calculated in accordance with IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently than us. For a calculation of EBITDA and Adjusted EBITDA and a reconciliation of each to net income (loss), see "Summary—Summary Financial and Other Operating Information."

Rounding

Certain amounts and percentages included in this Offering Memorandum and the documents incorporated by reference into this Offering Memorandum (which include the First Quarter 2023 Form 6-K and the 2022 Form 20-F) have been rounded for ease of presentation. Percentage figures included in this Offering Memorandum and the documents incorporated by reference into this Offering Memorandum (which include the First Quarter 2023 Form 6-K and the 2022 Form 20-F) have not been calculated in all cases on the basis of the rounded figures but on the basis of the original amounts prior to rounding. For this reason, certain percentage amounts may vary from those obtained by performing the same calculations using the figures in our financial statements. Certain other amounts that appear in this Offering Memorandum and the documents incorporated by reference into this Offering Memorandum (which include the First Quarter 2023 Form 6-K and the 2022 Form 20-F) may not sum due to rounding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum and the documents incorporated by reference into this Offering Memorandum (which include the First Quarter 2023 Form 6-K and the 2022 Form 20-F) include estimates and forward-looking statements.

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 the Existing Notes and the New Notes. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to many significant risks, uncertainties and assumptions and are made in light of information currently available to us.

These statements appear throughout this Offering Memorandum and the documents incorporated by reference into this Offering Memorandum (which include the First Quarter 2023 Form 6-K and the 2022 Form 20-F) include statements regarding our intent, belief or current expectations in connection with:

- our ability to complete the Exchange Offers and the Solicitations, the proposed restructuring of Azul's obligations with lessors and original equipment manufacturers ("OEMs"), and the raising of additional debt or equity financing before or after consummation of the Exchange Offers;
- developments and the perception of risks in connection with policies the President of Brazil, Luiz Inácio Lula da Silva, may adopt or change during his term in office, including economic, healthcare and fiscal reforms, any of which may negatively affect growth prospects in the Brazilian economy as a whole;
- the economic, financial and other effects of the outbreak of the 2019 strain of coronavirus (including variants), or COVID-19, or other pandemics, epidemics, diseases, public health threats and similar crises, and governmental responses thereto, particularly as such factors impact Brazil and the other markets in which we operate and continue to cause severe ongoing negative macroeconomic effects and disruptions to financial markets and the global economy, with a significant impact on the ability of businesses, including ours, to operate normally, thus adversely affecting our results of operations and financial condition, and heightening many of the other risks described in the "Risk Factors" section of this Offering Memorandum, and described in the "Risk Factors" section of the 2022 Form 20-F incorporated by reference into this Offering Memorandum;
- our ability to implement in a timely and efficient manner, any measure necessary to respond to or reduce the impacts of developments related to the COVID-19 pandemic, or other pandemics, epidemics, diseases, public health threats and similar crises, on our business, operations, cash flow, prospects, liquidity and financial conditions;
- changes in market prices, customer demand and preferences and competitive conditions;
- general economic, political and business conditions in Brazil, particularly in the geographic markets we serve as well as any other countries where we currently operate and may operate in the future, including developments and the perception of risks in connection with volatility from the heightened political and social tensions following the 2022 presidential elections in Brazil;
- our ability to keep costs low;
- existing and future governmental regulations;
- increases in maintenance costs, fuel costs and insurance premiums, especially in light of the war between Russia and Ukraine;
- our ability to maintain landing rights in the airports where we operate;
- air travel substitutes;
- labor disputes, employee strikes and other labor-related disruptions, including in connection with negotiations with unions;
- our ability to attract and retain qualified personnel;
- our aircraft utilization rate;

- defects or mechanical problems with our aircraft;
- our ability to successfully implement our growth strategy, including our expected fleet growth, passenger growth, our capital expenditure plans, our future joint venture and partnership plans, our ability to enter new airports (including certain international airports), that match our operating criteria;
- management's expectations and estimates concerning our future financial performance and our financing plans and programs, as well as our plans for refinancing or amending our financial obligations;
- our level of debt and other fixed obligations;
- our reliance on third parties, including changes in the availability or increased cost of air transport infrastructure and airport facilities;
- inflation, appreciation, depreciation and devaluation of the Brazilian real, as well as interest rates and exchange rates in Brazil and the other markets in which we operate, which have been particularly volatile as a result of the ongoing effects of the COVID-19 pandemic and the war in the Ukraine;
- our lessors and aircraft and engine suppliers, and our commercial relationship with them;
- the accuracy of any of the Initial Appraisals (as defined below) of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property or the Azul Cargo Business (each as defined under "Description of New Notes—Certain Definitions"), or any future appraisal, including as a result of the impact of any of risks described in this Offering Memorandum and under "Risk Factors" and in our 2022 Form 20-F, incorporated by reference into this Offering Memorandum; and
- other factors or trends affecting our financial condition or results of operations, including those factors identified or discussed as set forth under "Risk Factors" and in our 2022 Form 20-F, incorporated by reference into this Offering Memorandum.

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. None of the Existing Notes Issuer, the Obligors, the Dealer Managers or the Financial Advisor undertake any obligation to update publicly or to revise any forward-looking statements after the distribution of this Offering Memorandum because of new information, future events or other factors. Our independent 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 Offering Memorandum 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.

NOTICE TO HOLDERS IN THE EUROPEAN ECONOMIC AREA

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes: (a) a "retail investor" means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive No. 2014/65/EU (as amended, "MiFID II"), (ii) a customer within the meaning of Directive (EU) No. 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in Regulation (EU) No. 2017/1129 (the "Prospectus Regulation"); and (b) an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Offering Memorandum has been prepared on the basis that any offer of New Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of New Notes. This Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

NOTICE TO HOLDERS IN THE UNITED KINGDOM

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes: (a) a "retail investor" means a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA"), (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and (b) an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO HOLDERS IN BRAZIL

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 Law No. 6,385, dated December 15, 1976, as amended (the "Brazilian Securities Markets Law"), and CVM Resolution No. 160, dated July 13, 2022 (the "CVM Resolution 160"), 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. Holders of Existing Notes should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

IMPORTANT DATES AND TIMES

Please take note of the following important dates and times in connection with the Exchange Offers and the Solicitations. The Existing Notes Issuer may extend the Early Participation Deadline and/or Expiration Deadline with respect to one or more of the Exchange Offers and the Solicitations, in which case the relevant announcement date(s) and Settlement Date(s) as set out below may be modified accordingly. 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, including if any of the conditions of each Exchange Offer are not satisfied or waived by the Expiration Deadline (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), subject to applicable law.

Date	Calendar Date	Event
Commencement of the Exchange Offers	June 13, 2023.	Exchange Offers and Solicitations announced and Offering Memorandum made available to Eligible Holders.
Withdrawal Deadline	5:00 p.m., New York City time, on June 27, 2023, unless extended with respect to any Exchange Offer or Solicitation.	Deadline for Eligible Holders to withdraw their Existing Notes and revoke the related Consents.
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.	Deadline for Eligible Holders to validly tender Existing Notes and deliver related Consents in order to be eligible to receive the applicable Total Early Exchange Consideration.
Expiration Deadline	11:59 p.m., New York City time, on July 12, 2023, unless extended with respect to any Exchange Offer or Solicitation.	Deadline for Eligible Holders to validly tender Existing Notes and deliver related Consents in order to be eligible to receive the applicable Exchange Consideration.
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.	Payment of the applicable Total Early Exchange Consideration delivered in exchange for any Existing Notes of the relevant series validly tendered (and not validly withdrawn) at or prior to the Early Participation Deadline, and accepted for exchange by the Existing Notes Issuer; payment of accrued and unpaid interest as described herein; and interest will cease to accrue on the Early Settlement Date for all Existing Notes of the relevant series accepted in the Exchange Offers on the Early 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.	Payment of the applicable Total Early Exchange Consideration or Exchange Consideration, as applicable, delivered in exchange for any Existing Notes validly tendered (and not validly withdrawn), and accepted for exchange by the Existing Notes Issuer; payment of accrued and unpaid interest as described herein; and interest will cease to accrue on the Final Settlement Date for all Existing Notes accepted in the Exchange Offers on the Final Settlement Date.

SUMMARY

This summary highlights selected information from this Offering Memorandum and is therefore qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this Offering Memorandum. It may not contain all the information that is important to you. Before participating in the Exchange Offers and the Solicitations, you should read carefully this entire Offering Memorandum and the other documents to which it refers to understand fully the terms of the New Notes and the Exchange Offers, especially the risks relating to the New Notes, the Exchange Offers and the Solicitations discussed under "Risk Factors," the "Cautionary Statement Regarding Forward-Looking Statements," the risks relating to Azul which are set forth in our 2022 Form 20-F, including "Item 3. Key Information—D. Risk Factors," and the financial statements and related notes, incorporated by reference in this Offering Memorandum. See "Where You Can Find More Information." As used in this Offering Memorandum, unless otherwise indicated, the "Existing Notes Issuer" refers to Azul Investments LLP, the "New Notes Issuer" refers to Azul Secured Finance LLP and "Azul," "us," "we," or "our" refer to Azul S.A. and its consolidated affiliates, together with its consolidated subsidiaries, including the Existing Notes Issuer, the New Notes Issuer and the Guarantors. The term "Guarantors" refers to the Parent Guarantor, Azul Linhas, IntelAzul, Azul Viagens, IP HoldCo, and IP Co.

Business Overview

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. As the sole airline on 84% of our routes, we are the leading airline in 133 Brazilian cities in terms of departures in the year ended December 31, 2022, and carried approximately 27 million passengers in year ended December 31, 2022.

In addition to having an extensive network, optimized fleet, and a high-quality product, we also have strategic revenue-generating business units including our wholly-owned loyalty program TudoAzul, our logistics solutions business, Azul Cargo, and our travel package business, Azul Viagens.

Brazil is geographically similar in size to the continental United States and is currently the sixth largest market for domestic airline passengers in the world. Since 2008, the number of domestic airline passengers carried in Brazil has increased by 90% to 95 million in 2019. In 2020, as the COVID-19 pandemic affected the aviation industry, the number of domestic airline passengers in Brazil decreased 52.4% compared to 2019, to 45.2 million passengers, according to the Brazilian National Civil Aviation Agency (*Agência Nacional de Aviação Civil*) ("ANAC"), of which Azul was responsible for 31.1%. By the end of 2022, the number of domestic airline passengers in Brazil had already reached 87% of the total number of domestic airline passengers transported in the pre-pandemic period of 2019, indicating that the aviation sector is on recovery. Brazil's air travel market remains significantly under penetrated and in 2019 was expected to double by 2029 according to the Brazilian Association of Airline Companies (*Associação Brasileira das Empresas Aéreas*), in particular across states in the North, Northeast and Midwest regions of Brazil, which have exhibited greater growth than states in the Southeast and South regions of Brazil.

We have the most extensive route network in Brazil, serving 158 domestic destinations, about twice as many as our main competitors Gol Linhas Aéreas Inteligentes S.A. ("Gol") and Latam Airlines Group S.A. ("LATAM"), which served 58 and 53 destinations, respectively, as of December 31, 2022. We are the only provider of scheduled service to 87 of our domestic destinations and hold the leading position in seven out of the 10 largest domestic airports in which we operate in terms of departures, as of December 31, 2022. Through our network, we connect travelers to destinations exclusively served by us from our three hubs, which cater to the São Paulo, Belo Horizonte and Recife markets, all among the largest metropolitan areas in the country. Notably, we are the leading airline at Viracopos airport, one of the principal airports in the São Paulo area and the largest domestic hub in South America in terms of non-stop destinations served, with a 96% share of its 158 domestic daily departures as of December 31, 2022.

We operate a young, fuel-efficient fleet that we believe is better tailored for Brazil than those of our main competitors, as it allows us to serve markets with different demographics, ranging from large capitals to smaller cities. As of December 31, 2022, our operating fleet in service totaled 177 aircraft (excluding Pilatus aircraft, which are only used to transport spare parts) with an average age of 7.1 years (excluding Cessna aircraft), which is significantly younger than that of our main competitors. We believe that our diversified fleet is optimized to

efficiently match capacity to demand. This enables us to offer superior connectivity as well as more convenient and frequent non-stop service to more airports than our main competitors, which exclusively operate larger aircraft.

A key driver of our profitability is our management team's extensive experience in implementing a disciplined, low-cost operating model. Our optimized fleet yields lower trip costs than our main competitor. With the recovery and the increase in the number of next-generation Airbus A320neos and Embraer E2s in our fleet in the coming years, we expect to maintain our market-leading low trip cost advantage. In addition, our full-time equivalent employees ("FTEs") per aircraft were the lowest in Brazil at 77 FTEs as of December 31, 2022. We have built a strong brand by offering what we believe is a superior travel experience, based on a culture of customer service provided by a highly-motivated and well-trained team of crewmembers. Our service features include advance seat assignment, leather seats, individual entertainment screens with free live television at every seat in all our Embraer jets and most of our A320neos, extensive legroom with a pitch of 30 inches or more, complimentary beverage and snack services, and free bus service to key airports we serve. In addition, we offer Wi-Fi service in some of our A320neo and E2 fleet and are currently installing it in additional aircraft. As a result of our strong focus on customer service, our NPS (Net Promoter Score) average in 2022 totaled 57.5, even with the impact on courtesy and lack of empathy when crewmembers wear masks and during the Omicron wave when onboard services were suspended by the health agency for a period of time. In October and November 2022, our NPS reached 64.2 and 62.3, significantly higher than our competitors in Brazil. In 2020, Azul was awarded best airline in the world by TripAdvisor, the first time a Brazilian Flag Carrier ranked number one in the Traveler's Choice Awards.

We continue to invest in and expand our loyalty program, the TudoAzul Program, which had more than 15 million members as of December 31, 2022, compared to 12 million as of December 31, 2019, prior to the COVID-19 pandemic. The TudoAzul Program's gross billings increased approximately 70% from the year ended December 31, 2019, prior to the pandemic, to the year ended December 31, 2022. The TudoAzul Program has been the fastest growing loyalty program in terms of members in Brazil for the past eight years compared to "Smiles" (the loyalty program of Gol) and "LATAM Pass" (the loyalty program of LATAM), according to publicly available information of such competitors, including disclosure filed with or furnished to the SEC and information available on their respective websites. As of December 31, 2022, TudoAzul had 73 redemption partners. Moreover, in the fourth quarter of 2020, we launched the Azul Itaucard Infinite, the best positioned co-branded credit card in the Itaucard portfolio and also elected the "Best credit card from Brazilian airlines" by Melhores Destinos. Given our network strength and the expected growth of passenger air travel, credit card penetration and usage and customer loyalty in Brazil, we believe that TudoAzul is a key strategic asset for us.

Other revenue streams are expected to be mostly driven by our logistics solutions business, Azul Cargo. In 2022, Azul Cargo's revenue grew 10.5%, reaching R$1.4 billion mostly driven by our increase in cargo volume transported and our expanding presence in the e-commerce segment. In the three months ended March 31, 2023, other revenues were R$308.5 million, a 11.9% decrease compared to the three months ended March 31, 2022, as we redeployed widebody aircraft from dedicated cargo operations to passenger service to take advantage of the faster-than-expected recovery in international travel. For the three months ended March 31, 2023, we had a 33% share of cargo volume transported in Brazil, resulting from our unique network and the capillarity support it provides to our cargo business.

In addition, we intend to continue growing our ancillary services and other revenue streams, including Azul Viagens, our travel package business. Through Azul Viagens, we offer customers travel experiences with benefits and services. Net revenues for Azul Viagens increased 270% from the year ended December 31, 2019, prior to the pandemic, to the year ended December 31, 2022, with bookings of approximately R$1.2 billion in the year ended December 31, 2022. In the year ended December 31, 2022, we operated approximately 2,000 dedicated Azul Viagens flights. More than half of Azul Viagens dedicated flights is on routes not typically flown by Azul, supplementing utilization on weekends.

In 2022, our revenues reached an all-time record, and we generated total revenue of R$15.9 billion and a net loss of R$722.4 million. For the three months ended March 31, 2023, our revenues reached once again an all-time record, and we generated total revenue of R$4.5 billion compared to R$3.2 billion in the same period last year, an increase of 40.3%.

Our Competitive Strengths

We believe the following business strengths allow us to compete successfully:

Largest Network in Brazil

We have the largest network 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. We have grown our domestic market share in terms of revenue passenger kilometers ("RPKs"), from 18.6% in the year ended December 31, 2018, to 23.5% in the year ended December 31, 2019, and to 29.0% in the year ended December 31, 2022, according to ANAC. Our connectivity at large hubs allows us to consolidate traffic, serving larger and medium-sized markets as well as smaller cities that do not generate sufficient demand for point-to-point service. In particular, for the year ended December 31, 2022, more than 90% of our competitors' total available seat kilometers ("ASKs") are from or to three major Brazilian cities—São Paulo, Rio de Janeiro and Brasília—as compared to 24% for Azul, which we believe shows that we Azul possess far greater diversification within our state network as compared to regional competitors.

We believe that our extensive network coverage allows us to connect more passengers than our competitors, who serve significantly fewer destinations. As of December 31, 2022, we served 158 destinations in Brazil, compared to 58 for Gol and 53 for LATAM. In addition, we were market leader in 94% of our routes as of December 31, 2022. By comparison, as of December 31, 2022, Gol and LATAM were leading carriers in 44 cities in Brazil, each. In addition, the routes in which we hold a leadership position represent approximately 94% of our total ASKs and 83% of our total passenger revenue.

Our Optimized Fleet Enables Us to Efficiently Serve Our Target Markets

Our fleet strategy is based on optimizing the type of aircraft for the different markets we serve. Our diversified fleet of aircraft with turboprop propulsion manufactured by Avions de Transport Régional G.I.E. ("ATR"), narrow-body jets manufactured by Embraer S.A. ("E-Jets") and aircraft manufactured by Airbus S.A.S. ("Airbus") enables us to serve markets that we believe our main competitors, who only fly one type of larger narrow-body aircraft, cannot serve profitably. We believe our current fleet of aircraft allows us to match capacity to demand, achieve high load factors, provide greater convenience and frequency, and serve low- and medium-density routes and markets in Brazil that are not served by our main competitors. Our domestic fleet consists of Embraer E-Jets which seat up to 136 passengers, fuel-efficient ATR aircraft which seat 70 passengers, next-generation Airbus A320neos which seat 174 passengers and Cessna Caravans which seat 9 passengers, while all the narrow-body aircraft used by Gol and LATAM in Brazil have between 138 and 220 seats. We also operate Airbus A330s and A350s to serve international markets, E-Jets converted to dedicated freighters and Boeing 737 freighter aircraft to support our cargo business.

Our fleet plan focuses on maintaining a trip cost advantage relative to our main competitors while also providing us with flexibility for growth into new markets both domestically and internationally. Based on our current firm orders, between 2024 and 2025, we expect to add approximately 32 next-generation E-195 E2 aircraft, replacing older generation aircraft. These new generation aircraft are more fuel-efficient than older generation aircraft, and therefore we expect that our fleet plan will allow us to maintain market-leading trip costs and to reduce our total operating cost divided by available seat kilometers ("CASK"), both in absolute terms and relative to our main competitors.

Industry-Leading Passenger Revenue per ASKs

We utilize a proprietary yield management system that is key to our strategy of optimizing yield through dynamic fare segmentation and demand stimulation. We target both business travelers, to whom we offer convenient flight options, and cost-conscious leisure travelers, to whom we offer low fares to stimulate air travel and to encourage advanced purchases. This segmentation model has enabled us to achieve a market-leading PRASK of 30.41 centavos in the year ended December 31, 2019. In addition, in 2019, our PRASK, which we calculate as passenger revenue *divided by* ASKs, represented a 18.7% premium compared to Gol. We believe our superior network and product offering allows us to attract high-yield and frequent business travelers. Our PRASK was impacted by the COVID-19 pandemic, reaching R$24.95 *centavos* in the year ended December 31, 2020. Our PRASK reached R$28.07 *centavos* in 2021, R$36.88 *centavos* in 2022, and R$38.61 *centavos* in the three-month

period ended March 31, 2023, a record level, which is further evidence of the demand recovery and the sustainable competitive advantages of our business.

According to the Brazilian Corporate Agencies Association (*Associação Brasileira de Agências Corporativas*), we held a 32.9% share in terms of Brazilian business-focused travel agency revenue.

Most Efficient Cost Structure in the Brazilian Market

We have leveraged our management team's experience by implementing a disciplined, low-cost operating model to achieve our operational efficiencies. We believe we have achieved these operational efficiencies primarily through:

- optimized aircraft for markets and routes served;
- low cost of sales, distribution and marketing through direct-to-consumer marketing, e-commerce and associated use of social networking tools;
- lower costs due to single-class cabin configuration for our domestic flights;
- operation of a modern fleet with better fuel efficiency and lower maintenance costs than previous generation aircraft;
- innovative and beneficial financial arrangements for our aircraft, as a result of being one of the largest customers for Embraer and ATR aircraft;
- investment in check-in technology to increase operating efficiencies; and
- creation of a company-wide business culture focused on driving down costs.

As a result, we have achieved lower trip costs than our main competitor. In the year ended December 31, 2020, our costs were significantly impacted by the COVID-19 pandemic and our average trip cost was R$45,897 and in 2021, the average trip cost reduced 12%, to R$40,508, as compared to 2020. In the year ended December 31, 2021 and December 31, 2022 our average trip cost was 52% and 33% lower than that of Gol, based on data from Gol public disclosures. Our FTEs per aircraft are the lowest in Brazil at 77 as of December 31, 2022 and 78 as of December 31, 2021, compared to 128 for Gol as of December 31, 2022 and 166 for Gol as of December 31, 2021, based on data from Gol public disclosures.

We have a robust and scalable operating platform that features advanced technology such as ticketless reservations, an Oracle financial system, a mobile app, and electronic check-in kiosks at our main destination airports. We believe that our scalable platform provides superior reliability and safety and will generate economies of scale as we continue to expand.

Strategic Global Partnerships

We have established long-term strategic partnerships with United Airlines Inc. ("United") and TAP – Transportes Aéreos Portugueses, SGPS, S.A. ("TAP"). In 2015, United, acting through a subsidiary, acquired shares representing approximately a 5% economic interest in our company for US$100 million. In 2018, United acquired additional shares and increased its economic interest in our company to 8.0%. Our alliance with United has enhanced the reach of our mutual networks and created additional connecting traffic, as both we and United began selling each other's flights on our websites through a codeshare agreement. This codeshare agreement also provides customers flying on both airlines with a seamless reservations and ticketing process, including boarding pass and baggage check-in to their final destination, and we are evaluating possible additional cooperation with United.

As part of the TAP's privatization process in 2016, a consortium of private investors (including our principal shareholder) acquired a stake in TAP, and we invested €90 million in exchange for Tranche A 7.5% bonds due March 2026 issued by TAP convertible into a 41.25% economic interest in TAP.

On March 14, 2019, we acquired a fully diluted economic stake of 6.1% in TAP from Hainan Airlines (Hong Kong) Co. Limited for a purchase price of US$25 million.

On August 10, 2020, as informed at TAP's extraordinary shareholders meeting, due to the crisis caused by the COVID-19 pandemic, the Portuguese government negotiated an aid package of €1.2 billion for TAP with the European Commission, conditioned upon, among other factors, the elimination of the right to convert senior bonds into equity, so that they would not be diluted by the Portuguese government's financial contribution.

On October 2, 2020, Azul successfully concluded the sale of its equity participation in TAP as part of the restructuring effort led by the Portuguese government, raising approximately R$70 million in cash.

As a result of our existing codeshare agreements with United and TAP, our customers have access to more than 200 additional destinations worldwide. In addition, we believe that our strategic partnerships with these airlines provide our TudoAzul members with a broad range of attractive redemption options.

On February 6, 2020, we entered into a commercial joint venture agreement with TAP. Through this agreement, we intend to bring more connectivity to the Brazilian domestic network and access to the European market, providing a more streamlined travel experience to customers flying between Brazil and Europe. The transaction was approved by our shareholders on December 9, 2019 and the closing of the transaction remains subject to regulatory approvals. We have made progress on certain governance matters relating to the joint venture; however, given the uncertainties around the COVID-19 pandemic and its effects over our industry, we have put on hold certain aspects of the implementation of the joint venture, including with respect to obtaining the necessary regulatory approvals.

High-Quality Customer Experience Through Product and Service-Focused Culture

We believe we provide a high-quality, differentiated travel experience and have a strong culture focused on customer service. Our crewmembers are trained to be service-oriented, focusing on providing the customer with a travel experience that we believe is unique among Brazilian airlines. We provide extensive training for our crewmembers that emphasizes the importance of both safety and customer service. We strive to hold our employees accountable to maintain the quality of our crew and customer service.

Our service features include advance seat assignment, leather seats, individual entertainment screens with free live television at every seat in all our jets, extensive legroom with a pitch of 30 inches or more, complimentary beverage and snack service, free bus service to key airports we serve (including between the city of São Paulo and Viracopos airport) and a fleet younger than that of our competitors.

We focus on meeting our customers' needs and, in 2022, Azul was elected the most on-time airline in the world. We are the first Brazilian airline to achieve this recognition, awarded by Cirium, the world's leading reference for operational data in the airline industry. An airline is considered punctual when its flights land up to 14 minutes after the planned arrival time, and Azul has been recognized for meeting this goal in most of its almost 1,000 daily flights. We are very proud to show the world the excellence of Brazilian work.

Well-Recognized Brand

We believe we have been successful in building a strong brand by using innovative marketing and advertising techniques with low expenditures that focus on social networking tools to generate word-of-mouth recognition of our high-quality service. As a result of our strong focus on customer service, surveys that we have conducted indicate that, as of December 31, 2022, 72% of our customers would recommend or strongly recommend Azul to a friend or relative. In addition, we use the NPS (Net Promoter Score) metric to measure customer satisfaction and in 2022, our average score totaled 57.5. The strength of our brand has been recognized in the receipt of many industry awards, including "*World's Best Airline*" by TripAdvisor in 2020.

In addition, as a result of our strong brand awareness and focus on customer service, our TudoAzul loyalty program had approximately 15.0 million members as of December 31, 2022 and has been recognized with the following awards:

- named "*Best Loyalty Program in Brazil*" from 2016 to 2020 by Melhores Destinos;
- named "The Loyalty Program with the Best Fares in Brazil in 2016-2017" by Melhores Destinos; and

- recognized as having "*The Most Innovative Co-Branded Credit Card*" at the 2015 Loyalty Awards Event presented by Flight Global, a renowned website recognized by the global aviation community as a reliable source of news, data and expertise relating to the aviation and aerospace industries.

Experienced Management Team

We believe we benefit from our highly knowledgeable and experienced management team. Our senior management, which has senior airline experience both in Brazil and in the United States, includes:

- Our Chairman and Founder David Gary Neeleman, a dual Brazilian and U.S. citizen, who has founded five airlines in three different countries, including JetBlue Airways.
- Our Chief Executive Officer, John Peter Rodgerson, who previously served as our Chief Financial Officer and our Investor Relations Officer, where he was responsible for implementing our financial strategy and cost structure since our inception. Mr. Rodgerson also served as Director of Planning and Financial Analysis at JetBlue Airways for five years, and as President of our main operating subsidiary, Azul Linhas, from August 2019 to October 2022.
- Our Chief Financial Officer and Investor Relations Officer, Alexandre Wagner Malfitani, who previously served as the Head of our TudoAzul loyalty program, and our Director of Finance and Treasurer. Before joining Azul, Mr. Malfitani held the position of Managing Director of Treasury at United Airlines, having also worked in the finance industry, including as a fund manager at Deutsche Bank and as a trader at Credit Agricole Indosuez.
- Our Chief Revenue Officer, Abhi Manoj Shah, who has nearly 20 years of experience in the aviation industry and has previously held executive positions at JetBlue Airways and Boeing. He was responsible for developing our yield management, network planning and revenue structure. Mr. Shah also serves as President of our main operating subsidiary, Azul Linhas, since October 2022.
- Our Chief Technical Officer, Antônio Flávio Torres Martins Costa, who has been part of the Azul founding team since inception and has nearly half a century of experience in the airline industry, having served as Chief Technical and Operations Officer at Pluna S.A. and OceanAir, and as Chief Technical Officer at Varig.

Most of our senior management team has worked together for almost 10 years and has been with us since our launch. All non-Brazilian individuals on the team are residents in Barueri, State of São Paulo, with permanent work visas. In addition to Mr. Neeleman, all of our principal officers are also shareholders in our company, and all are motivated by participation in our stock-based incentive plans, which we believe aligns shareholders' and management's interests. Our management team has focused on establishing a successful working environment and employee culture. We believe the experience and commitment of our senior management team have been a critical component in our growth, as well as in the continuing enhancement of our operating and financial performance.

To align senior management interests with our results of operations, we provide a leadership incentive plan based on the achievement of predefined company performance targets including operating margin, customer satisfaction, crewmember satisfaction, and on-time performance. We also have established a stock option plan for our leadership that vests over a four-year period.

Recent Developments

Proposed Lease and OEM Supplier Restructuring

In January 2023, Azul commenced negotiations with its aircraft lessors and aircraft and engine OEMs aimed at obtaining the short-term deferral of certain lease payments and securing the long-term reprofiling of certain lease payments and other OEM-related payment obligations.

Azul's proposals to restructure its obligations with certain aircraft lessors and OEMs contemplate (i) the elimination of lease payment obligations that had previously been deferred during the COVID-19 pandemic, (ii) a permanent reduction in lease payments from original contractual lease rates to agreed-upon current market rates, (iii) the deferral of certain payments to lessors and OEMs, as well as certain obligations under supplier agreements, and

(iv) other concessions including improved end-of-lease compensation obligations and aircraft return conditions, the elimination of future maintenance reserves payments, and the negotiated early termination of certain aircraft leases.

On March 5, 2023, Azul announced that, subject to satisfaction of certain conditions, it had reached commercial agreements with lessors representing more than 90% of Azul's aggregate payment obligations under its existing lease agreements. Each commercial agreement is subject to entering into binding definitive agreements which, in certain cases, may include entering into forbearance and/or deferral agreements prior to the execution of binding definitive agreements. Azul's lessors have also generally conditioned the effectiveness of the restructuring of Azul's obligations with lessors on the restructuring of certain of our debt obligations (which may be achieved through the consummation of the Exchange Offers), as well as the raising of additional debt or equity financing before or after consummation of the Exchange Offers. If the conditions to effectiveness of the restructured lease and other obligations are not satisfied, Azul would be required to comply with the terms of the existing lease agreements and agreements with OEMs, including resumption of payments under the original contractual payment rates and schedules.

In connection with this proposed restructuring, under the commercial agreements reached, Azul currently expects to issue to certain lessors and OEMs (i) approximately US$400 million in aggregate principal amount of senior unsecured notes maturing in 2030, and (ii) an equity instrument convertible into preferred shares in the amount of approximately US$600 million at a valuation of R$36.00 per preferred share. The new senior unsecured notes are expected to be issued by a wholly-owned subsidiary of Azul (which may be the Existing Notes Issuer) and are expected to be guaranteed by Azul and Azul Linhas. The equity instrument is expected to be subject to a lock-up provision until the second half of 2024 and is expected to be released and convert in fourteen quarterly installments, starting at the end of the lock-up period and ending in the second half of 2027. The equity instrument is expected to include upside and downside limitations, whereby if the trading price of Azul's preferred shares is lower than R$36.00 at the time of measurement, Azul would be required to compensate holders for the difference either by issuing additional preferred shares or through cash settlement. If the trading price of Azul's preferred shares is higher than certain thresholds, the number of preferred shares issuable pursuant to the equity instrument will be reduced, thereby lowering dilution to existing shareholders. Given its lock-up and conversion periods, and upside and downside limitations, Azul currently expects that the equity instrument will be temporarily recognized as a liability on its balance sheet.

On April 4, 2023, (i) Azul Linhas, as lessee, and the Relevant Lessors entered into the AerCap Forbearance Agreement, and (ii) Azul Linhas, as lessee, Azul, as guarantor, and the Relevant Lessors entered into the AerCap Deferral Agreement, in each case in connection with leases of 57 aircraft (each as defined and described under "Description of Certain Indebtedness and Other Obligations—AerCap Secured Obligations"). Pursuant to the Deferral Agreement, the Relevant Lessors agreed to defer certain payments due to be made by Azul Linhas between January 1, 2023 and June 30, 2023 under the Relevant Leases, which totaled US$114.3 million in rent and other amounts due and payable to the Relevant Lessors. Pursuant to the terms of the AerCap Deferral Agreement, the final payment of the deferred lease payments covered by the AerCap Deferral Agreement is scheduled to commence on July 1, 2023 with a payment of approximately US$50.0 million and is scheduled to be concluded by December 1, 2024. Pursuant to the AerCap Forbearance Agreement, the Relevant Lessors agreed to forbear from exercising certain rights arising in respect of defaults under the Relevant Leases until July 31, 2023, subject to certain conditions and the earlier termination of such forbearance in certain circumstances (including termination events related to Azul's efforts to restructure its aircraft lease and debt obligations and debt capital markets instruments, as well as the raising of additional debt or equity financing).

Azul is in various stages of finalizing definitive binding documentation with lessors and OEMs to implement the commercial agreements referred to above. As of the date hereof, Azul is current on payments or has entered into binding forbearance agreements in connection with certain payment and other defaults, in each case, under aircraft leases that represent in aggregate approximately 80% of Azul's aggregate payment obligations under its existing lease agreements.

In order for the proposed restructuring of Azul's obligations with lessors and OEMs to become effective, Azul will be required to conclude binding definitive agreements with the relevant lessors and OEMs and Azul will be required to satisfy various conditions. If Azul is unable to satisfy such requirements and the conditions upon which the proposed restructuring is contingent, including restructuring certain of our debt obligations (which may be achieved through the consummation of the Exchange Offers) and the raising of additional debt or equity financing,

Azul may seek to extend forbearance agreements, obtain further waivers, renegotiate the terms of its proposed restructuring or seek to comply with the original terms of the agreements which are subject to the proposed restructuring. There can be no assurance that Azul's lessors or OEMs would not enforce contractual payment terms or otherwise exercise remedies in respect of such aircraft lease agreements or other financings and agreements. See also "Risk Factors Relating to the Business of Azul and Azul's Indebtedness—The Exchange Offers are being conducted as part of our recapitalization strategy, which includes the proposed restructuring of our obligations with lessors and engine OEMs, and no assurance can be given that these transactions will be completed."

Initial Appraisals

Morten Beyer & Agnew Aviation ("mba Aviation"), an independent aviation appraisal and consulting firm, has prepared appraisals of (i) the TudoAzul Program, as of February 23, 2023, (ii) the Azul Viagens Business, as of February 17, 2023, (iii) the Airline Intellectual Property, as of March 7, 2023, and (iv) the Azul Cargo Business, as of February 23, 2023 (the "Initial Appraisals"). mba Aviation has delivered reports summarizing the Initial Appraisals. These reports, dated May 18, 2023, April 27, 2023, April 28, 2023, and June 5, 2023, respectively, are annexed to this Offering Memorandum as Annex A, Annex B, Annex C, and Annex D, respectively. References to the Initial Appraisals throughout this Offering Memorandum are included based upon our reliance on mba Aviation as experts.

The Initial Appraisal of the TudoAzul Program valued the TudoAzul Program using an income approach, forecasting future cash flows in Brazilian *reais* through to December 2027 and discounting cash flows, based on certain assumptions. mba Aviation's Initial Appraisal concluded an aggregate value of the TudoAzul Program of R$16,178.4 million (or US$3,184.5 million based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00). The appraised value of the TudoAzul Program in Brazilian *reais* was based on a discount rate of 15.2%, a terminal growth rate of 4.6% in nominal Brazilian *reais* and a discount for lack of marketability of 10%.

The Initial Appraisal of the Azul Viagens Business valued the Azul Viagens Business using an income approach, forecasting future cash flows in Brazilian *reais* through to December 2027 and discounting cash flows, based on certain assumptions. mba Aviation's Initial Appraisal concluded an aggregate value of the Azul Viagens Business of R$2,378.3 million (or US$468.1 million based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00). The appraised value of the Azul Viagens Business in Brazilian *reais* was based on a discount rate of 13.8% and a terminal growth rate of 3.4% in nominal Brazilian *reais* and a discount for lack of marketability of 25%.

The Initial Appraisal of the Airline Intellectual Property valued the Airline Intellectual Property using an income approach, projecting future royalty payments and discounting cash flows to present value, based on certain assumptions. mba Aviation's Initial Appraisal concluded an aggregate value of the Airline Intellectual Property of R$5,000.4 million (or US$984.3 million based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00). The appraised value of the Airline Intellectual Property in Brazilian *reais* was based on a market-based royalty rate charge of 2.3% (not based upon the IP License Fee (as defined under "Description of Certain Material Transaction Agreements—IP Licenses")), a discount rate of 11.3% and a terminal growth rate of 4.6% in nominal Brazilian *reais*. No discount for lack of marketability was applied in the appraised value of the Airline Intellectual Property.

The Initial Appraisal of the Azul Cargo Business valued the Azul Cargo Business using an income approach, forecasting future cash flows in Brazilian *reais* from 2023 through 2027 and discounting cash flows, based on certain assumptions. mba Aviation's Initial Appraisal concluded an aggregate value of the Azul Cargo Business of R$6,677.9 million (or US$1,314.4 million based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00). The appraised value of the Azul Cargo Business in Brazilian *reais* was based on a discount rate of 13.1% and a terminal growth rate of 4.6% in nominal Brazilian *reais* and a discount for lack of marketability of 10%. The LTV Ratio (as defined under "Description of New Notes—Certain Definitions") is designed to measure the value of the TudoAzul Program, the Azul Viagens Business, and the Airline Intellectual Property in comparison to the aggregate principal amount of First Priority Secured Debt outstanding on a given date. The LTV Ratio does not include the Azul Cargo Business and, for the purposes of the LTV Ratio, the value of the Airline Intellectual Property shall be calculated to exclude the value of the Azul Cargo Intellectual Property. The Initial Appraisal and any future appraisals will be used to calculate the LTV Ratio. Pursuant to the

terms of the New Notes, the LTV Ratio will be used to determine the principal amount of First Priority Secured Debt incurred by us that we are permitted to secure on the Shared Collateral, which is tested at the time of the incurrence of such debt. The LTV Ratio is calculated as to First Priority Secured Debt only, which means that the amount of New Notes Secured Debt is not included in the calculation of the LTV Ratio.

Based on the combined U.S. dollar equivalent of the appraised value of (i) the TudoAzul Program (excluding the intellectual property used therein to avoid double counting), (ii) the Azul Viagens Business (excluding the intellectual property used therein to avoid double counting), and (iii) the Airline Intellectual Property, in each case determined pursuant to the Initial Appraisals as described above, and assuming that the First Priority Secured Debt outstanding on the first Settlement Date comprises the (i) AerCap Secured Obligations in the maximum amount of approximately US$105 million, and (ii) the Convertible Debentures in an aggregate principal amount of R$1,759.6 million (or US$346.4 million based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00), on the first Settlement Date, the LTV Ratio (calculated as to First Priority Secured Debt only) would be 11.3%. The value of the Azul Cargo Business is not included in the calculation of the LTV Ratio.

The Collateral does not include the entire business nor all of the assets and revenues of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. Therefore, the Initial Appraisals, and any future appraisals, may not accurately reflect the actual fair market or realizable value of the Collateral. The royalty rate applied in the Initial Appraisal of the Airline Intellectual Property is not the same as the IP License Fee in the IP License. An appraisal that is subject to different assumptions, limitations and risks, and/or that is based on other methodologies, may result in valuations that are materially different from those contained in mba Aviation's Initial Appraisals and any future appraisals. See "Risk Factors—Risks Relating to the Collateral—The Initial Appraisals are not, and should not be, relied upon as a measure of the value of the Collateral securing the New Notes and the other Secured Obligation or as a measure of the current value of the TudoAzul Program, the Azul Viagens Business, and the Airline Intellectual Property."

Neither our auditors, Ernst & Young Auditores Independentes S/S Ltda., nor any other independent accountants, have compiled, reviewed, examined or performed any other assurance procedures, or expressed any form of assurance, with respect to the financial estimates and projections used to prepare the Initial Appraisals annexed to this Offering Memorandum. Our independent auditor has not expressed its opinions on, or made any statement about, such information and does not accept any responsibility for, or association with, such financial estimates or projections, or any responsibility for, or association with, the Initial Appraisals. The report of Ernst & Young Auditores Independentes S/S Ltda. included in the 2022 Form 20-F, which is incorporated by reference into this Offering Memorandum, relates to Azul's historical consolidated audited financial statements and does not extend to the unaudited projections used to prepare the Initial Appraisals and should not be read to do so.

Issuance of Non-Convertible Debentures

On June 1, 2023, Azul Linhas, as issuer, the Parent Guarantor, as guarantor, Vórtx Distribuidora de Títulos e Valores Mobiliários Ltda., as fiduciary agent for the holders of the debentures, and Raízen S.A, as intervening party, entered into an indenture (*escritura de emissão de debêntures*) in respect of the 11th issuance by Azul Linhas of non-convertible debentures in an aggregate principal amount of up to R$600.0 million (or US$118.1 million based on the commercial selling rate published by the Central Bank of Brazil on March 31, 2023, which was R$5.0804 per US$1.00). The offering of the debentures is being made to professional investors only, and is being made only within Brazil. There will be no offering or sale of the debentures in any jurisdiction other than Brazil.

The debentures are issued by Azul Linhas and guaranteed by the Parent Guarantor, and are secured over specified amounts of credit card receivables generated by Azul Linhas in respect of the purchase of airline tickets by customers which, for the avoidance of doubt, does not include the Designated TudoAzul Credit Card and Debit Card Receivables (as defined under "Description of New Notes—Certain Definitions") or any other amounts required to be deposited into any Collection Account pursuant to the terms of the New Notes Indenture. The maturity date of the debentures is June 1, 2024. The rate of interest on the debentures is equal to the CDI Rate plus 6.00% per annum. The "CDI Rate" is the daily average rate of inter-banking deposits, "over extra group," expressed in annual percentage, calculated and published daily by the Brazilian Stock Exchange (B3 S.A. – *Brasil, Bolsa, Balcão*). Interest on the debentures is payable monthly, together with certain monthly amortization payments of principal.

The net proceeds of the issuance of the debentures will be used exclusively to fund payments for fuel supplied to Azul Linhas by Raízen S.A., including the funding of payments made by Azul Linhas to Raízen S.A. since May 2, 2023 for the purchase of fuel. Raízen S.A. has agreed that if an event of default under the debentures occurs and is continuing, subject to certain cure periods, Raízen S.A. will be required to cease all supplies of fuel to Azul Linhas and its affiliates.

We currently expect that closing of the issuance of the debentures will occur during the week commencing June 12, 2023, subject to the terms of, and the satisfaction of certain conditions under, a best efforts placing pursuant to a distribution agreement dated June 2, 2023.

Corporate Information

Azul S.A. is incorporated as a Brazilian Corporation (*sociedade por ações*), with headquarters at Avenida Marcos Penteado de Ulhôa Rodrigues, 939, Tamboré, Edifício Jatobá, 8th Floor, Castelo Branco Office Park, Barueri, São Paulo, SP 06460-040, Brazil. Our investor relations office can be reached at (+55) 11 4831-2880 and our website address is https://ri.voeazul.com.br. Information provided on our website is not part of this Offering Memorandum and is not incorporated by reference into this Offering Memorandum.

Existing Notes Issuer

The Existing Notes Issuer was formed as a Delaware limited liability partnership on October 4, 2017 in connection with the issuance of the Existing 2024 Notes, and the Existing Notes Issuer is also issuer of the Existing 2026 Notes. The Existing Notes Issuer's registered office is located at the offices of Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. Limited liability partnerships are not corporations and their capital structure and management are governed by the partnership's partnership agreement or, in the absence of provisions in such partnership agreement, are governed by default rules under the Delaware Revised Uniform Partnership Act. Absent something to the contrary in a limited liability partnership's partnership agreement, a limited liability partnership's affairs are managed by its partners. Azul and Azul Linhas are the general partners of the Existing Notes Issuer under the Existing Notes Issuer's partnership agreement. However, except for very limited consent rights, Azul does not participate in the management of the Existing Notes Issuer; rather, the Existing Notes Issuer is managed by Azul Linhas under the partnership agreement of the Existing Notes Issuer.

New Notes Issuer

The New Notes Issuer was formed as a Delaware limited liability partnership on May 25, 2023 in connection with the Exchange Offers and the proposed issuance of the New Notes. The New Notes Issuer's registered office is located at the offices of Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. Limited liability partnerships are not corporations and their capital structure and management are governed by the partnership's partnership agreement or, in the absence of provisions in such partnership agreement, are governed by default rules under the Delaware Revised Uniform Partnership Act. Absent something to the contrary in a limited liability partnership's partnership agreement, a limited liability partnership's affairs are managed by its partners. Azul and Azul Linhas are the general partners of the New Notes Issuer under the New Notes Issuer's partnership agreement. However, except for very limited consent rights, Azul does not participate in the management of the New Notes Issuer; rather, the New Notes Issuer is managed by Azul Linhas under the partnership agreement of the New Notes Issuer.

SUMMARY FINANCIAL AND OTHER OPERATING INFORMATION

The following tables summarize our financial and operating data for each of the periods indicated. Interim financial results are not necessarily indicative of results that may be expected for the full fiscal year or any future reporting period.

This summary financial data for (i) the three-month period ended March 31, 2023 and 2022, respectively, has been derived from our unaudited interim condensed consolidated financial statements included in our First Quarter 2023 Form 6-K, which is incorporated by reference in this Offering Memorandum, and (ii) the years ended December 31, 2022, 2021 and 2020 has been derived from our audited consolidated financial statements included in our 2022 Form 20-F, which is also incorporated by reference in this Offering Memorandum. Our unaudited interim condensed consolidated financial statements were prepared in accordance with IAS 34 Interim Financial Reporting, and our audited consolidated financial statements were prepared in accordance with IFRS as issued by the IASB. Historical results for any period, including our historical results for the three-month period ended March 31, 2023, are not necessarily indicative of results to be expected for any future period.

You should read this information in conjunction with our First Quarter 2023 Form 6-K, our 2022 Form 20-F and the financial statements and related notes incorporated by reference in this Offering Memorandum. Our 2022 Form 20-F includes references to "net revenue," "operating revenue," and "net operating revenue," and all of these references refers to revenue in accordance with IFRS 15.

Statements of Operations Data

	For the Three-Month Period Ended March 31			For the Year Ended December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(US$)[1]	(R$)	(R$)	(US$)[1]	(R$)	(R$)	(R$)
	(Unaudited)			(in thousands)			
Passenger revenue	820,776	4,169,871	2,842,969	2,872,794	14,594,945	8,811,044	5,039,607
Other revenues	60,715	308,457	350,072	266,342	1,353,122	1,164,685	704,519
Total revenue	881,491	4,478,328	**3,193,041**	**3,139,136**	**15,948,067**	**9,975,729**	**5,744,126**
Operating expenses							
Aircraft fuel	(329,384)	(1,673,402)	(1,188,966)	(1,291,490)	(6,561,288)	(3,257,223)	(1,508,750)
Salaries and benefits	(105,793)	(537,472)	(434,221)	(384,727)	(1,954,568)	(1,748,441)	(1,426,637)
Airport fees	(51,642)	(262,361)	(199,107)	(179,365)	(911,246)	(677,653)	(465,606)
Passenger expenses	(38,500)	(195,596)	(132,970)	(126,348)	(641,900)	(395,533)	(288,327)
Maintenance	(31,079)	(157,896)	(160,268)	(121,291)	(616,209)	(546,647)	(451,241)
Advertising and publicity	(34,249)	(173,997)	(126,851)	(137,588)	(699,003)	(403,987)	(329,829)
Depreciation and amortization	(111,734)	(567,653)	(522,038)	(412,260)	(2,094,448)	(1,544,333)	(1,805,553)
Impairment and onerous contracts	—	—	—	217,068	1,102,791	1,075,682	757,554
Insurance	(3,818)	(19,398)	(18,768)	(16,075)	(81,665)	(62,781)	(61,786)
Rental	(2,994)	(15,212)	(35,077)	(40,036)	(203,398)	(221,800)	(94,124)
Other	(139,223)	(707,310)	(524,619)	(365,636)	(1,857,578)	(2,138,218)	(1,468,908)
	(848,417)	**(4,310,297)**	**(3,342,885)**	**(2,857,750)**	**(14,518,512)**	**(9,920,934)**	**(7,143,207)**
Operating profit (loss)	**33,074**	**168,031**	**(149,844)**	**281,386**	**1,429,555**	**54,795**	**(1,399,081)**
Financial income	10,524	53,466	48,914	54,580	277,289	154,280	60,298
Financial expenses	(247,536)	(1,257,584)	(1,024,158)	(943,584)	(4,793,782)	(3,838,243)	(2,514,587)
Derivative financial instruments, net	(54,124)	(274,972)	306,042	188,569	958,005	864,184	(2,207,470)
Foreign currency exchange, net	113,066	574,418	3,486,094	276,861	1,406,566	(1,443,046)	(4,302,540)
Financial result	(178,071)	(904,672)	2,816,892	(423,573)	(2,151,922)	(4,262,825)	(8,964,299)
Result from related party transactions	—	—	—	—	—	(5,178)	(713,834)
Loss before income tax and social contribution	**(144,997)**	**(736,641)**	**2,667,048**	**(142,187)**	**(722,367)**	**(4,213,208)**	**(11,077,214)**
Current income tax and social contribution	—	—	—	—	—	—	(11)

	For the Three-Month Period Ended March 31			For the Year Ended December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(US$)[1]	(R$)	(R$)	(US$)[1]	(R$)	(R$)	(R$)
	(Unaudited)			(in thousands)			
Deferred income tax and social contribution	—	—	—	—	—	—	242,516
Net (loss) profit for the period/ year	**(144,997)**	**(736,641)**	**2,667,048**	**(142,187)**	**(722,367)**	**(4,213,208)**	**(10,834,709)**
Basic (loss) earnings for the period/year per common share R$/US$	(0.01)	(0.03)	0.10	(0.01)	(0.03)	(0.16)	(0.42)
Diluted (loss) earnings for the period/year per common share R$/US$	(0.01)	(0.03)	0.10	(0.01)	(0.03)	(0.16)	(0.42)
Basic (loss) earnings for the period/year per preferred share R$/US$	(0.42)	(2.12)	7.69	(0.41)	(2.08)	(12.19)	(31.67)
Diluted (loss) earnings for the period/year per preferred share R$/US$	(0.42)	(2.12)	7.68	(0.41)	(2.08)	(12.19)	(31.67)
Other financial data (unaudited):							
EBITDA[2]	144,808	735,684	372,194	639,647	3,524,003	1,593,950	(307,362)
Adjusted EBITDA[3]	202,755	1,030,076	592,699	635,798	3,230,109	1,591,332	264,759
Adjusted EBITDA Margin (%)[4]	23.0%	23.0%	18.6%	20.3%	20.3%	16.0%	4.6%

(1) For convenience purposes only, the amounts in Brazilian *reais* for the three-month period ended March 31, 2023 and the year ended December 31, 2022 have been translated to U.S. dollars using the rate R$5.0804 per US$1.00, which was the commercial selling rate for U.S. dollars as of March 31, 2023, as reported by the Central Bank. These translations should not be considered representations that any such Brazilian *reais* amounts represent, have been or could be converted into U.S. dollars at that or at any other exchange rate. See "Presentation of Financial and Certain Other Information—Exchange Rates."

(2) We calculate EBITDA, in accordance with CVM Resolution No. 156, dated June 23, 2022, as net income (loss) minus financial result, net, current and deferred income tax and social contributions, and depreciation and amortization. We believe EBITDA is a well-recognized performance measurement in the airline industry that is frequently used by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry. EBITDA is not a measure of financial performance in accordance with IFRS, and should not be considered in isolation or as an alternative to net income, an alternative to operating cash flows, a measure of liquidity, or the basis for dividend distribution. Other companies may calculate EBITDA differently than us. EBITDA serves an indicator of overall financial performance, which is not affected by changes in rates of income tax and social contribution or levels of depreciation and amortization. Consequently, we believe that EBITDA serves as an important tool to periodically compare our operating performance, as well as to support certain administrative decisions. Because EBITDA does not include certain costs related to our business, such as interest expense, income taxes, depreciation and amortization, capital expenditures and other corresponding charges, which might significantly affect our net income, EBITDA has limitations which affect its use as an indicator of our profitability.

(3) We calculate Adjusted EBITDA as EBITDA adjusted to exclude result from related party transactions, net, impairment and onerous contracts and non-recurring items. Adjusted EBITDA is not a measure of financial performance in accordance with IFRS, and should not be considered in isolation or as an alternative to net income, an alternative to operating cash flows, a measure of liquidity, or the basis for dividend distribution. Other companies may calculate Adjusted EBITDA differently than us. Adjusted EBITDA serves as an indicator of overall financial performance that we believe serves as an important tool to periodically compare our operating performance, as well as to support certain administrative decisions. Because Adjusted EBITDA does not include certain costs related to our business, it has limitations which affect its use as an indicator of our profitability. Non-recurring items include gains and expenses that management considers non-recurring in nature, mainly extraordinary and one-time events related to COVID-19 pandemic, such as: (i) employees layoffs and expenses related to flight cancelations and rescheduling and tax provisions, (ii) write-off of prepaid expenses losses due to the termination of maintenance contracts in 2022 and beginning of 2023, and (iii) fleet adjustments related to the restructuring of our obligations with lessors and OEMs (see "Summary—Recent Developments—Proposed Lease and OEM Supplier Restructuring"), including: (a) expenses and loss provisions recognized in relation to the return of aircraft and engines, (b) losses on maintenance reserves, (c) gains recognized due to the modification of lease agreements, (d) direct expenses related to consulting, financial advisor and legal fees, and (e) costs incurred in relation to unused fleet.

(4) Represents Adjusted EBITDA divided by total revenue.

The following table presents the reconciliation of the non-IFRS financial measures EBITDA and Adjusted EBITDA to net income (loss) for the periods indicated below:

	For the Three-Month Period Ended March 31,			For the Year Ended December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(US$)[1]	(R$)	(R$)	(US$)[1]	(R$)	(R$)	(R$)
				(in thousands)			
Reconciliation:							
Loss for the year	(144,997)	(736,641)	2,667,048	(142,187)	(722,367)	(4,213,208)	(10,834,709)
Plus (*minus*):							
Financial result, net[2]	(178,071)	(904,672)	2,816,892	(423,573)	(2,151,922)	(4,262,825)	(8,964,299)
Current income tax and social contribution	—	—	—	—	—	—	(11)
Deferred income tax and social contribution	—	—	—	—	—	—	242,516
Depreciation and amortization[3]	(111,734)	(567,653)	(522,038)	(412,260)	(2,094,448)	(1,544,333)	(1,805,553)
EBITDA[4]	**144,808**	**735,684**	**372,194**	**639,647**	**3,524,003**	**1,593,950**	**(307,362)**
Result from related party transactions, net[5]	—	—	—	—	—	5,178	713,834
Impairment and onerous contracts[6]	—	—	—	(217,068)	(1,102,791)	(1,075,682)	(757,554)
Non-recurring items[7]	57,947	294,393	220,505	159,220	808,899	1,067,886	615,841
Adjusted EBITDA[4]	**202,755**	**1,030,076**	**592,699**	**635,798**	**3,230,109**	**1,591,332**	**264,759**
Total Revenue	**881,491**	**4,478,328**	**3,193,041**	**3,139,136**	**15,948,067**	**9,975,729**	**5,744,126**
Adjusted EBITDA Margin (%)[8]	**23.0%**	**23.0%**	**18.6%**	**20.3%**	**20.3%**	**16.0%**	**4.6%**

(1) For convenience purposes only, the amounts in Brazilian reais for the three-month period ended March 31, 2023 and the year ended December 31, 2022 have been translated to U.S. dollars using the rate R$5.0804 per US$1.00, which was the commercial selling rate for U.S. dollars as of March 31, 2023, as reported by the Central Bank. These translations should not be considered representations that any such Brazilian *reais* amounts represent, have been or could be converted into U.S. dollars at that or at any other exchange rate. See "Presentation of Financial and Certain Other Information—Exchange Rates."

(2) Financial result, net includes (i) financial income, (ii) financial expense, (iii) derivative financial instruments, net and (iv) foreign currency exchange, net.

(3) Depreciation and amortization was not impacted by non-recurring items in 2022 and 2021, and was impacted by non-recurring items of R$79.2 million in 2020.

(4) EBITDA and Adjusted EBITDA, as calculated by us, may not be comparable to EBITDA and Adjusted EBITDA as used by other companies, which may calculate Adjusted EBITDA in a manner which differs from ours. EBITDA and Adjusted EBITDA are not measures of financial performance in accordance with IFRS. They do not represent cash flow for the corresponding periods and should not be considered as alternatives to net income or loss or as measures of operating performance, cash flow or liquidity, nor should they be considered for the calculation of dividend distribution.

(5) In 2020 and 2021, represents financial results in relation to a transaction with a related party, net. See "Note 25 Related-Party Transactions" to our audited consolidated financial statements included in our 2022 Form 20-F.

(6) Reversal of impairment loss and loss on onerous contract due to the cancelation of sublease agreement that originated those losses when originally entered into. See "Note 1.5" to our audited consolidated financial statements included in our 2022 Form 20-F.

(7) Non-recurring items include gains and expenses that management considers non-recurring in nature, mainly extraordinary and one-time events related to COVID-19 pandemic, such as: (i) employees layoffs and expenses related to flight cancelations and rescheduling and tax provisions, (ii) write-off of prepaid expenses losses due to the termination of maintenance contracts in 2022 and beginning of 2023, and (iii) fleet adjustments related to the restructuring of our obligations with lessors and OEMs (see "Summary—Recent Developments—Proposed Lease and OEM Supplier Restructuring"), including: (a) expenses and loss provisions recognized in relation to the return of aircraft and engines, (b) losses on maintenance reserves, (c) gains recognized due to the modification of lease agreements, (d) direct expenses related to consulting, financial advisor and legal fees, and (e) costs incurred in relation to unused fleet.

(8) Represents Adjusted EBITDA divided by total revenue.

Balance Sheet Data

The following table presents key line items from our historical balance sheet data:

	As of March 31,			As of December 31,			
	2023	2023	2022	2022	2022	2021	2020
	(US$)[1]	(R$) (Unaudited)	(R$)	(US$)[1]	(R$)	(R$)	(R$)
					(in thousands)		
Cash and cash equivalents	91,794	466,350	1,857,771	131,554	668,348	3,073,799	3,064,815
Total assets	**3,425,367**	**17,402,236**	**17,785,616**	**3,685,004**	**18,721,293**	**18,533,473**	**15,794,457**
Loans and financing	1,701,577	8,644,690	9,009,870	1,699,948	8,636,418	10,018,731	7,360,514
Leases	2,854,124	14,500,090	12,707,910	2,870,410	14,582,833	14,890,575	12,520,812
Equity	(3,882,913)	(19,726,752)	(15,638,829)	(3,741,339)	(19,007,500)	(18,333,003)	(14,148,750)
Issued capital	455,476	2,314,002	2,290,996	455,464	2,313,941	2,290,876	2,246,367
Total liabilities and equity	**3,425,367**	**17,402,236**	**17,785,616**	**3,685,004**	**18,721,293**	**18,533,473**	**15,794,457**

(1) For convenience purposes only, the amounts in Brazilian *reais* for the three-month period ended March 31, 2023 and the year ended December 31, 2022 have been translated to U.S. dollars using the rate R$5.0804 per US$1.00, which was the commercial selling rate for U.S. dollars as of March 31, 2023, as reported by the Central Bank. These translations should not be considered representations that any such Brazilian *reais* amounts represent, have been or could be converted into U.S. dollars at that or at any other exchange rate. See "Presentation of Financial and Certain Other Information—Exchange Rates."

Operating Data

The following table presents certain operating data:

	As of and for the Three-Month Period Ended March 31,		As of and for the Year Ended December 31,		
	2023	2022	2022	2021	2020
Operating passenger aircraft at end of period[1]	188	166	194	161	162
Total aircraft at end of year[1]	182	166	177	179	185
Cities served at end of year	159	151	158	147	112
Average daily aircraft utilization (hours per day)	9.7	8.5	9.1	8.3	5.4
Stage length (km)	1,160	1,128	1,105	1,057	1,083
Number of departures	78,739	67,981	304,429	245,102	158,070
Block hours	137,703	117,301	518,813	409,424	266,881
Passenger flight segments	7,058,108	6,330,931	27,485,369	23,311,416	14,796,044
Revenue passenger kilometers (RPKs) (million)	8,598	7,284	31,561	24,851	16,311
Available seat kilometers (ASKs) (millions)	10,799	9,064	39,579	31,386	20,395
Load factor (%)	79.6%	80.4%	79.7%	79.2%	80.0%
Passenger revenue (in thousands)	R$4,169,871	R$2,842,969	R$14,594,945	R$8,811,044	R$5,039,607
Passenger revenue adjusted (in thousands)[2]	R$4,169,871	R$2,842,969	R$14,594,945	R$8,811,044	R$5,088,747
PRASK adjusted (cents)[2]	R$38.61	R$31.37	R$36.88	R$28.07	R$24.95
RASK adjusted (cents)[2]	R$41.47	R$35.23	R$40.29	R$31.78	R$28.41
Yield per ASK adjusted (cents)[2]	R$48.50	R$39.03	R$46.25	R$35.46	R$31.20
Trip cost adjusted[3]	R$48,656.35	R$45,930.19	R$48,656.35	R$40,508.56	R$45,896.62
End-of-year FTEs per aircraft	75	78	77	86	74
CASK adjusted (cents)[3]	R$37.19	R$34.45	R$37.42	R$31.63	R$35.57
CASK ex-fuel adjusted (cents)[3]	R$21.69	R$21.33	R$20.85	R$21.26	R$28.17
Fuel liters consumed (thousands)	318,462	279,613	1,207	980	651
Average fuel cost per liter	R$5.25	R$4.25	R$5.44	R$3.32	R$2.32

(1) Excludes Pilatus aircraft, which are only used to transport spare parts.

(2) Passenger revenue adjusted, PRASK adjusted, RASK adjusted and Yield per ASK adjusted for non-recurring items totaled R$293.9 million in 2022 from the partial reversal of the impairment loss of E1s, renegotiation with suppliers, expenses related to COVID-19, redeliveries and other aircraft related items, partially offset by revised non-cash provisions and other expenses. Operating results in 2021 and 2020 were adjusted for non-recurring items totaling a net gain of R$7.8 million and R$62.5 million, respectively.

(3) Trip cost adjusted, CASK adjusted and CASK excluding all fuel costs adjusted for non-recurring items and impairment totaled R$294.4 million loss in the first quarter of 2023, R$293.9 million gain in 2022, R$7.8 million gain in 2021 and R$141.7 million gain in 2020.

SUMMARY OF THE EXCHANGE OFFERS AND THE SOLICITATIONS

Offeror	The Existing Notes Issuer.
Exchange Offers	Upon the terms and subject to the conditions set forth in this Offering Memorandum, the Existing Notes Issuer is offering to exchange (i) any and all of the outstanding Existing 2024 Notes issued by the Existing Notes Issuer that are held by Eligible Holders for New 2029 Notes to be issued by the New Notes Issuer, and (ii) any and all of the outstanding Existing 2026 Notes issued by the Existing Notes Issuer that are held by Eligible Holders for New 2030 Notes to be issued by the New Notes Issuer. Eligible Holders who validly tender on or before the Early Participation Deadline and do not validly withdraw their Existing Notes, and whose Existing Notes are accepted for exchange by the Existing Notes Issuer for exchange, will receive the applicable Total Early Exchange Consideration on the Early Settlement Date, if the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, or on the Final Settlement Date. The applicable Total Early Exchange Consideration includes the applicable Early Exchange Premium as an incentive for Eligible Holders of Existing Notes to tender their Existing Notes on or before the Early Participation Deadline. For Existing Notes validly tendered after the Early Participation Deadline and on or before the Expiration Deadline, the Eligible Holders of each series of Existing Notes accepted for exchange by the Existing Notes Issuer will be eligible to receive the applicable Exchange Consideration.
The Solicitations	Simultaneously with the Exchange Offers, the Existing Notes Issuer is soliciting (i) from Eligible Holders of the Existing 2024 Notes, the 2024 Consents to effect the 2024 Proposed Amendments to the 2024 Notes Indenture, and (ii) from Eligible Holders of the Existing 2026 Notes, the 2026 Consents to effect the 2026 Proposed Amendments to the 2026 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. Neither the Existing Notes 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. 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. See "Description of the Exchange Offers and the Solicitations—The Solicitations."
Transaction Support Agreement	We have entered into the Transaction Support Agreement dated June 13, 2023, between the Obligors and 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 Offering Memorandum. The consent of Supporting Noteholders suffices to approve the Proposed Amendments in respect of the Existing Notes of each series.
Proposed Amendments to the Existing Notes Indentures	The Proposed Amendments with respect to each Existing Notes Indenture would eliminate substantially all of the restrictive covenants, events of default and related provisions contained in such Existing Notes Indenture. See "Proposed Amendments to the Existing Notes Indentures" and "Risk Factors—Risks Relating to the Exchange Offers and the Solicitations—The Proposed Amendments will, if adopted, significantly reduce protections to the Eligible Holders of the Existing Notes."
Purpose of the Exchange Offers and the Solicitations	The purpose of the Exchange Offers is to refinance a portion of the Existing Notes in order to optimize our debt capital structure as part of the execution of our recapitalization strategy. The purpose of the Solicitations is to obtain the Consents of Eligible Holders of the Existing 2024 Notes and Existing 2026 Notes to effect the 2024 Proposed Amendments and the 2026 Proposed Amendments, respectively, which would eliminate substantially all of the restrictive covenants, events of default and related provisions contained in the Existing Notes Indentures.
Holders Eligible to Participate in the Exchange Offers	Neither the Existing Notes Issuer nor the New Notes Issuer has registered the Exchange Offers, and neither will register the offering,

	issuance and sale of the New Notes pursuant to the Exchange Offers, under the Securities Act or any other laws. **Only Eligible Holders who have completed and returned the Eligibility Certification certifying that they are either (1) QIBs or (2) Regulation S Holders are authorized to receive this Offering Memorandum. Only Eligible Holders that also comply with the other requirements set forth in this Offering Memorandum are eligible to participate in the Exchange Offers and the Solicitations. See "Description of the Exchange Offers and the Solicitations—Eligibility to Participate in the Exchange Offers," "Transfer Restrictions" and "Offer and Distribution Restrictions."**
Total Early Exchange Consideration and Exchange Consideration.....	Upon the terms and subject to the conditions set forth in this Offering Memorandum, Eligible Holders that validly tender Existing Notes and deliver related Consents at or prior to the Early Participation Deadline and who do not validly withdraw tendered Existing Notes and do not revoke such Consents at or prior to the Withdrawal Deadline, and whose Existing Notes are accepted for exchange by the Existing Notes Issuer, will receive the applicable Total Early Exchange Consideration. The applicable Total Early Exchange Consideration includes the applicable Early Exchange Premium. Upon the terms and subject to the conditions set forth in this Offering Memorandum, Eligible Holders that validly tender Existing Notes and deliver the related Consents after the Early Participation Deadline but at or prior to the Expiration Deadline, and whose Existing Notes are accepted for exchange by the Existing Notes Issuer, will receive the applicable Exchange Consideration (the applicable Total Early Exchange Consideration *minus* the applicable Early Exchange Premium). See "Description of the Exchange Offers and the Solicitations—Total Early Exchange Consideration and Exchange Consideration."
Minimum Exchange Conditions	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, which include, with respect to the Existing 2024 Notes, the receipt of Existing 2024 Notes validly tendered (and not validly withdrawn) prior to the Expiration Deadline representing not less than 70% of the aggregate principal amount of Existing 2024 Notes outstanding (which we refer to as the 2024 Notes Minimum Exchange Condition) and, with respect to the Existing 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 (which we refer to as the Aggregate Minimum Exchange Condition).
Return of Existing Notes.....	In the event tendered Existing Notes are not accepted due to an invalid tender, or in the event of the termination of an Exchange Offer, such Existing Notes will be credited to appropriate accounts at The Depository Trust Company ("DTC") promptly following the Expiration Deadline or the termination of the Exchange Offer, as applicable.

Accrued Interest.....	Each holder whose Existing Notes are accepted for exchange by the Existing Notes Issuer will receive a cash payment representing interest, if any, that has accrued from the most recent interest payment date in respect of such Existing Notes up to, but not including, the applicable Settlement Date as described herein. 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.
Additional Amounts.....	Subject to the exceptions and limitations specified in relevant Existing Notes Indenture, the Existing Notes Issuer will pay additional amounts to Eligible Holders that participate in the Exchange Offers in respect of any withholding taxes imposed or levied by or on behalf of Brazil and the United States or any taxing authority therein or thereof, or any other jurisdiction from or through which Accrued Interest payments are made, with respect to Accrued Interest payable in the Exchange Offers, such that the amount received by such Eligible Holders after deduction of any such withholding tax will equal the applicable Accrued Interest.
No Fractional Amount of New Notes ...	Any series of Existing Notes may be tendered and will be accepted for payment only in principal amounts equal to the minimum denomination of US$200,000 and integral multiples of US$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Eligible Holders who do not tender all of their Existing Notes must retain Existing Notes at least equal to the minimum denomination of US$200,000. The New Notes will be issued by the New Notes Issuer in a minimum denomination of US$175,000 and integral multiples of US$1.00 in excess thereof. If, under the terms of the Exchange Offers, any tendering Eligible Holder is entitled to receive New Notes in a principal amount that is not a permitted denomination, the principal amount of the New Notes will be rounded down to the nearest permitted denomination and no cash will be paid for fractional New Notes not received as a result of such rounding down. If, however, such Eligible Holder would be entitled to receive less than US$175,000 principal amount of New Notes, the Eligible Holder's tender will be rejected in full and the Existing Notes subject to this tender will be returned to the Eligible Holder.
No Partial Tenders	In order to tender Existing Notes of either series pursuant to the relevant Exchange Offer, Eligible Holders will be required, at the time of such tender, to certify to the Existing Notes Issuer that they (i) have validly tendered and not validly withdrawn any and all Existing Notes of each series beneficially owned by them pursuant to the Exchange Offers, and

	(ii) will not validly withdraw any such tender of any Existing Notes of either series if they have not also validly withdrawn any Existing Notes of the other series that they have tendered in the relevant Exchange Offer. No Eligible Holder may tender less than all of its Existing Notes in an Exchange Offer.
Withdrawal Deadline	5:00 p.m., New York City time, on June 27, 2023, unless extended with respect to any Exchange Offer or any 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	At the Existing Notes Issuer's sole election, 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 (at the Existing Notes Issuer's sole option) with respect to any Exchange Offer.
Withdrawal of Tenders and Revocation of Consents	Tenders of Existing Notes in the Exchange Offers may be validly withdrawn and related Consents delivered may be validly revoked at any time at or prior to 5:00 p.m., New York City time, on June 27, 2023, unless extended by the Existing Notes Issuer, but will thereafter be irrevocable, except in certain limited circumstances where additional withdrawal rights are required by law. Subject to applicable law, the Existing Notes Issuer may extend the Early Participation Deadline and/or the Expiration Deadline, with or without extending the Withdrawal Deadline. Tenders submitted in the Exchange Offers after the Withdrawal Deadline will be irrevocable except in the limited circumstances where additional withdrawal rights are required by law. Unless the context indicates otherwise, all references to a valid tender of the applicable Existing Notes and delivery of the applicable Consents in this Offering Memorandum shall mean that such series of Existing Notes and such applicable Consents have been validly tendered or delivered, at or prior to the Early Participation Deadline or the Expiration Deadline, as applicable, and such tender or delivery has not been validly withdrawn or revoked at or prior to the Withdrawal Deadline. See "Description of the Exchange Offers and the Solicitations—Withdrawal of Tenders and Revocation of Consents."
Conditions to the Exchange Offers and the Solicitations	The completion of the Exchange Offer for a series of Existing Notes, and the execution of supplemental indentures relating to the Proposed Amendments with respect to each Existing Notes Indenture, is subject to, and conditional upon, the satisfaction or waiver of certain

conditions, including, among other things, (i) the Minimum Exchange Conditions; (ii) the Convertible Debentures Amendments Condition, which condition may not be waived (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—Convertible Debentures Amendments Condition"); (iii) the AerCap Secured Obligations Amendments Condition, which condition may not be waived (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—AerCap Secured Obligations Amendments Condition"); (iv) the Amendments and Waivers Condition (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—Amendments and Waivers Condition"); (v) if the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, the condition that the Existing Notes Issuer determines that New Notes of the relevant series issued by the New Notes Issuer on the Final Settlement Date will be fungible with the New Notes of the relevant series issued by the New Notes Issuer on the Early Settlement Date for U.S. federal income tax purposes (see "Certain U.S. Federal Income Tax Considerations"); (vi) the condition that, as of the Expiration Deadline (or the date of acceptance, with respect to any Existing Notes accepted for exchange by the Existing Notes Issuer prior to the Expiration Deadline), the combination of the yield of the New Notes of the relevant series and the Total Early Exchange Consideration for the relevant series of Existing Notes would result in the New Notes and such Existing Notes being treated as "substantially different" under ASC 470-50; and (vii) that nothing has occurred or may occur that would or might, in the Existing Notes Issuer's judgment, be expected to prohibit, prevent, restrict or delay an Exchange Offer, a Solicitation or impair us from realizing the anticipated benefits of an Exchange Offer or of a Solicitation. The Existing Notes Issuer may waive any of these conditions in its sole discretion for all series of Existing Notes or for any one or more particular series of Existing Notes.

In addition, in the Existing Notes Issuer's sole discretion, subject to applicable law, the Existing Notes Issuer reserves the right to remove one or both series of Existing Notes from the Exchange Offers if the Existing Notes Issuer determines, in its reasonable judgment, that the desired accounting and tax treatment will not be achieved.

Solely as it relates to the Solicitations, the Existing Notes Issuer will not be required to enter into supplemental indentures relating to the Proposed Amendments with respect to each Existing Notes Indenture, and the Existing Notes Issuer may, in its sole discretion, terminate any of the Solicitations or, in its sole discretion, modify, extend or otherwise amend any of the Solicitations if, at or prior to the Expiration Deadline (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), the Existing Notes Issuer has not received the applicable Consents required to approve the applicable Proposed Amendments. See "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations."

Extensions; Amendments; Termination; Announcements.....	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, including if any of the conditions of each Exchange Offer are not satisfied or waived by the Expiration Deadline (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), subject to applicable law. See "Description of the Exchange Offers and the Solicitations—Extensions; Amendments; Termination; Announcements."
Procedures for Tendering Existing Notes.....	All of the Existing Notes are held in book-entry form through the facilities of DTC. Only an Eligible Holder of the Existing Notes may tender the Existing Notes of any series of Exchange Offers. To tender Existing Notes that are held through a broker, dealer, commercial bank, trust company or other nominee, a beneficial owner thereof must instruct such nominee to tender the Existing Notes on such beneficial owner's behalf according to the procedure described in this Offering Memorandum. There is no separate letter of transmittal in connection with this Offering Memorandum, the Exchange Offers or the Solicitations. For an Eligible Holder to tender Existing Notes validly pursuant to the Exchange Offers, (1) an Agent's Message must be received by the Exchange Agent via ATOP (as defined below) and (2) tendered Existing Notes must be transferred pursuant to the procedures for book-entry transfer described below and a confirmation of such book-entry transfer must be received by the Exchange Agent at or prior to the Early Participation Deadline or the Expiration Deadline, as applicable. The tender of Existing Notes by an Eligible Holder pursuant to the Exchange Offers will constitute the Consent of such Eligible Holder to the Proposed Amendments. To effectively tender Existing Notes, DTC participants should transmit their acceptance of an Exchange Offer (which will also constitute delivery of Consents) through ATOP, for which the Exchange Offers will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Exchange Agent for its acceptance. Delivery of tendered Existing Notes must be made to the Exchange Agent pursuant to the book-entry delivery procedures set forth below. See "Description of the Exchange Offers and the Solicitations—Procedures for Tendering Existing Notes." Existing Notes can be tendered only in principal amounts equal to the minimum denomination of US$200,000 and integral multiples of US$1,000 in excess thereof.

Consequences of Failure to Exchange.....	For a description of the consequences of failing to exchange your Existing Notes, see "Risk Factors."
Brokerage Fees and Commissions.....	No brokerage fees or commissions are payable by the holders of the Existing Notes to the Dealer Managers, the Exchange Agent or us in connection with the Exchange Offers. If a tendering holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, that holder may be required to pay brokerage fees or commissions.
Certain Tax Considerations	For a summary of certain U.S. federal income tax consequences of the Exchange Offers, see "Certain U.S. Federal Income Tax Considerations." For a summary of certain Brazilian tax considerations of the Exchange Offers, see "Brazilian Tax Considerations." For a summary of certain Cayman Islands tax considerations of the Exchange Offers, see "Cayman Islands Tax Considerations."
Use of Proceeds	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. See "Use of Proceeds."
Exchange Agent and Information Agent.....	Global Bondholder Services Corporation is serving as the exchange agent (the "Exchange Agent") and the information agent (the "Information Agent") in connection with the Exchange Offers and the Solicitations. The address and telephone numbers of Global Bondholder Services Corporation are listed on the back cover of this Offering Memorandum.
Dealer Managers.....	Citigroup Global Markets Inc. is the sole structuring agent and lead dealer manager and solicitation agent for the Exchange Offers and the Solicitations. Itau BBA USA Securities, Inc., J.P. Morgan Securities LLC and UBS Securities LLC are dealer managers and solicitation agents for the Exchange Offers and the Solicitations (collectively, and together with Citigroup Global Markets Inc., the "Dealer Managers"). The addresses and telephone numbers for the Dealer Managers are listed on the back cover page of this Offering Memorandum.
Financial Advisor.....	We have retained Seabury Capital to act as financial advisor (the "Financial Advisor") in connection with the Exchange Offers and the Solicitations. The Financial Advisor assumes no responsibility for the accuracy or completeness of the information contained or incorporated herein (financial, legal or otherwise). The Financial Advisor does not take any position or make any recommendation as to whether or not Eligible Holders should participate in the Exchange Offers and the Solicitations.

Further Information	Questions or requests for assistance related to the Exchange Offers and tender procedures, the Solicitation, or for additional copies of this Offering Memorandum may be directed to the Information Agent. Any questions concerning the terms of the Exchange Offers, the New Notes, or the Solicitations should be directed to the Dealer Managers. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offers and the Solicitations. The contact information for the Dealer Managers, the Exchange Agent and the Information Agent is set forth on the back cover page of this Offering Memorandum.

SUMMARY OF THE NEW NOTES

The summary below describes the principal terms of the New Notes. The following summary is provided solely for your convenience. Certain of the terms and conditions described below are subject to important limitations and exceptions. The summary is not intended to be complete. You should read the full text and more specific details contained elsewhere in this Offering Memorandum. For a more detailed description of the New Notes, see "Description of New Notes."

Issuer	The New Notes Issuer.
Guarantors	The Parent Guarantor, Azul Linhas, IntelAzul, Azul Viagens, IP HoldCo, and IP Co.
Notes Offered	Up to US$400,000,000 aggregate principal amount of 11.500% Senior Secured Second Out Notes due 2029 to be issued by the New Notes Issuer in exchange for Existing 2024 Notes pursuant to the terms of the relevant Exchange Offer. Up to US$600,000,000 aggregate principal amount of 10.875% Senior Secured Second Out Notes due 2030 to be issued by the New Notes Issuer in exchange for Existing 2026 Notes pursuant to the terms of the relevant Exchange Offer.
New Notes Indenture.....	The New Notes Issuer, as issuer, the Parent Guarantor, Azul Linhas, IntelAzul, Azul Viagens, IP HoldCo, and IP Co, as Guarantors, and the New Notes Trustee, as the trustee, will enter into a base indenture, which will govern both the New 2029 Notes and the New 2030 Notes (the "Base Indenture"). The Base Indenture will be supplemented by (i) the first supplemental indenture, pursuant to which the New 2029 Notes will be issued by the New Notes Issuer (the "First Supplemental Indenture"), and (ii) the second supplemental indenture, pursuant to which the New 2030 Notes will be issued by the New Notes Issuer (the "Second Supplemental Indenture"). The Base Indenture, as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture, is hereinafter referred as the "New Notes Indenture."
Maturity Date	The New 2029 Notes will mature on May 28, 2029, unless earlier redeemed or repurchased and cancelled in accordance with the terms of the New 2029 Notes. The New 2030 Notes will mature on May 28, 2030, unless earlier redeemed or repurchased and cancelled in accordance with the terms of the New 2030 Notes.
Interest.....	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. The first New Notes Interest Payment Date (as defined under "Description of New Notes—General") will be August 28, 2023.
Interest Rate Step-up	If the LTV Ratio (calculated as to First Priority Secured Debt only) calculated using an Annual Appraisal (as defined in "Description of New Notes—Certain Covenants—Financial Statements and Other Reports") delivered

	pursuant to the requirements of the New Notes Indenture exceeds 62.5% then, with effect from the New Notes Interest Payment Date following the date of delivery of such Annual Appraisal to the Trustee, the interest rate on the New Notes of each series shall increase by 2.000% (the "LTV Step-up Amount"). The LTV Step-up Amount shall cease to apply with effect from the New Notes Interest Payment Date following the date of delivery to the Trustee of an Appraisal pursuant to which the LTV Ratio (calculated as to First Priority Secured Debt only) calculated using such Appraisal does not exceed 62.5%. The Parent Guarantor may elect (in its sole discretion) to re-test the LTV Ratio at any time and deliver such Appraisal to the Trustee.
IP Parties Cayman Islands Governance	Each of the IP Parties will, prior to the first Settlement Date, be a newly incorporated exempted company incorporated with limited liability in the Cayman Islands for the purposes of the Exchange Offers and related transactions. The articles of association of each IP Party will require the vote of the Special Shareholder (as defined under "Cayman Islands Governance") to, among other things, commence voluntary bankruptcy, insolvency, liquidation (including provisional liquidation), restructuring or winding-up proceedings of such IP Party, or for any amendment to the constitutional documents of such IP Party. The constitutional documents of the IP Parties will contain provisions to accommodate the requirements of the Special Shareholder and require an independent director appointed on behalf of the Special Shareholder. See "Cayman Islands Governance."
New Notes Guarantees	The obligations under the New Notes will be fully, unconditionally and irrevocably guaranteed by the Guarantors as described under "Ranking" below. See "Description of New Notes—New Notes Guarantees."
Collateral	The Collateral securing the New Notes and the New Notes Guarantees will generally consist of the Shared Collateral and the Azul Cargo Collateral, as described below.
Shared Collateral	The New Notes will constitute New Notes Secured Obligations (as defined under "Description of New Notes—Certain Definitions") and will, pursuant to the Intercreditor Agreement, be secured on a "second out" basis by security interests in: • the Azul Brand IP; • the Azul Other IP; • each of IP HoldCo's, IP Co's, the Parent Guarantor's and Azul Linhas's rights under the IP Agreements (as defined under "Description of Collateral—Shared Collateral"), with collateral documentation governed by New York law; • a pledge and security agreement in respect of the partnership interests owned by Azul Linhas in the Issuer, governed by Delaware law; • one Cayman equitable share mortgage, of 100% of the shares held by each of (i) the Parent Guarantor, (ii) Azul Linhas, (iii) IntelAzul and (iv) Azul Viagens in IP HoldCo (and for the avoidance of doubt, excluding the special share held by the Special Shareholder), governed by Cayman Islands law; • a Cayman equitable share mortgage of 100% of the shares held by IP HoldCo in IP Co (and for the avoidance of doubt, excluding the special share held by the Special Shareholder), governed by Cayman Islands law;

- a fiduciary transfer (*alienação fiduciária*) of 100% of the equity interests held by the Parent Guarantor in IntelAzul, governed by Brazilian law;
- a fiduciary transfer (*alienação fiduciária*) of 100% of the equity interests held by Azul Linhas and one individual in Azul Viagens, governed by Brazilian law;
- a fiduciary assignment (*cessão fiduciária*) in respect of (i) the receivables under the Assigned TudoAzul Agreements, (ii) the Designated TudoAzul Credit Card and Debit Card Receivables, and (iii) the TudoAzul Receivables Deposit Account, governed by Brazilian law;
- a fiduciary assignment (*cessão fiduciária*) in respect of (i) the receivables under the Assigned Azul Viagens Agreements, (ii) the Designated Azul Viagens Credit Card and Debit Card Receivables, and (iii) the Azul Viagens Receivables Deposit Account, governed by Brazilian law;
- one or more control agreements over each of the TudoAzul Receivables Deposit Account, and the Azul Viagens Receivables Deposit Account, governed by Brazilian law;
- a fiduciary assignment (*cessão fiduciária*) in respect of the receivables under the Intercompany Loan Agreements, governed by Brazilian law;
- a pledge and a control agreement over the USD Payment Account, the USD Blocked Account and the USD Collateral Account, each of which is located in the United States, governed by New York law (which, in each case, shall cover the funds contained in such accounts);
- a fiduciary assignment (*cessão fiduciária*) and a control agreement, over the BRL Payment Account, the BRL Blocked Account and the BRL Collateral Account, each of which is located in Brazil, governed by Brazilian law (which, in each case, shall cover the funds contained in such accounts);
- any Additional Collateral (as defined under "Description of New Notes—Certain Definitions"); and
- any Additional Intercompany Indebtedness Collateral (as defined under "Description of New Notes—Security—Additional Collateral").

See "Description of Collateral—Shared Collateral" for a more detailed description of the Collateral, including details of certain assets of Azul that are excluded from the Shared Collateral.

Azul Cargo Collateral..... The New Notes and the New Notes Guarantees will also be secured by:

- a fiduciary assignment (*cessão fiduciária*) in respect of (i) the Designated Azul Cargo Credit Card and Debit Card Receivables, and (ii) the Azul Cargo Receivables Deposit Account, governed by Brazilian law;
- a control agreement over the Azul Cargo Receivables Deposit Account, governed by Brazilian law; and
- a fiduciary transfer (*alienação fiduciária*) in respect of the Azul Cargo Intellectual Property.

At any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens. Prior to the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such

Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "first out" basis (as the New Notes Secured Obligations shall be the only obligations secured by the Azul Cargo Collateral prior to the Azul Cargo Collateral Sharing Trigger Date).

Following the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "second out" basis in accordance with the provisions of the Azul Cargo Intercreditor Agreement, as described further under "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement."

The Parent Guarantor and its Subsidiaries shall be permitted to amend the terms under which the Azul Cargo Intellectual Property is held as collateral securing the New Notes, the New Notes Guarantees and the Azul Cargo Priority Secured Debt in a manner that would not adversely affect the Azul Cargo Intellectual Property or adversely affect the interests of the Holders (in each case as determined by the New Notes Issuer in good faith), which includes the Parent Guarantor and its Subsidiaries being permitted to amend or replace the Azul Cargo Collateral Documents under which the relevant Liens are created (including Azul Cargo Intellectual Property Fiduciary Transfer) and which may, in connection therewith, include a series of substantially concurrent transactions whereby (i) the Liens over the Azul Cargo Intellectual Property are released, (ii) the Azul Cargo Intellectual Property is transferred to any existing or newly-formed Subsidiary of the Parent Guarantor that is incorporated or organized in Brazil, the Cayman Islands or any state of the United States, (iii) the new contribution agreements, license agreements, management agreements and other related documents are substantially consistent *mutatis mutandis* with the Contribution Agreements and the IP Licenses, (iv) the collateral over 100% of the equity interest of the existing or newly formed subsidiary is substantially consistent *mutatis mutandis* with the Equity Collateral, as applicable, (v) the collateral over rights under the new contribution agreements, license agreements, management agreements and other related documents are substantially consistent *mutatis mutandis* with the collateral documents governed by New York law with respect to the IP Agreements, and (vi) new collateral documents over Azul Cargo Intellectual Property and related documents are substantially consistent *mutatis mutandis* with the collateral documentation governed by New York or Brazilian law, as applicable, in respect of the Contributed Intellectual Property.

See "Description of Collateral—Azul Cargo Collateral" for a more detailed description of the Azul Cargo Collateral, including details of certain assets of Azul that are excluded from the Azul Cargo Collateral.

Initial Appraisals ..... Initial Appraisals of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property, and the Azul Cargo Business are annexed to this Offering Memorandum as Annex A, Annex B, Annex C, and Annex D, respectively. The value of the Collateral in the event of an enforcement of the Collateral or a liquidation of any of the Obligors may be materially different from the appraised value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business pursuant to the Initial Appraisals included in this Offering Memorandum or any future appraisals delivered pursuant to the requirements of the New Notes Indenture. The Initial Appraisals and any future appraisals should not be

	relied upon as a measure of the value of the Collateral. See "Summary—Recent Developments—Initial Appraisals."
Secured Obligations secured by the Shared Collateral.....	The Shared Collateral will secure the New Notes and other Secured Obligations (as defined under "Description of New Notes—Certain Definitions"). As of the Closing Date, we currently expect that the Secured Obligations will comprise: *First Priority Secured Obligations*: • the Convertible Debentures in an aggregate principal amount R$1,759.6 million (or US$346.4 million based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00); • AerCap Secured Obligations, which are limited to a maximum amount of approximately US$105 million; and *New Notes Secured Obligations*: • aggregate principal amount of New Notes issued pursuant to the Exchange Offers on the Closing Date, which would be US$1.0 billion if all Existing Notes are exchanged for the relevant series of New Notes pursuant to the terms of the Exchange Offers). The terms of the New Notes Indenture provide that the Obligors are permitted to incur Permitted First Priority Secured Debt or issue Permitted Additional New Notes (which debt would be secured on a "first out" or "second out" basis, respectively, by the Shared Collateral). The definitions of "Permitted First Priority Secured Debt" and "Permitted Additional New Notes" set forth under "Description of New Notes—Certain Definitions" describe the aggregate principal amount of such Secured Debt that is permitted to be secured by the Shared Collateral.
Secured Obligations secured by the Azul Cargo Collateral	On the Closing Date, the Azul Cargo Collateral will secure the New Notes issued pursuant to the Exchange Offers. The terms of the New Notes Indenture provide that the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens in an aggregate principal amount of Azul Cargo Priority Secured Debt at any time outstanding not to exceed US$800.0 million (or the equivalent thereof in other currencies).
Ranking	The New Notes and the New Notes Guarantees rank (i) equally in right of payment with all of the Obligors' existing and future senior unsubordinated obligations (except those obligations preferred by operation of law, including labor and tax claims, and except as provided with respect to the First Priority Secured Debt under "Description of New Notes—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" and except as provided with respect to the Azul Cargo Priority Secured Debt under "Description of New Notes—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement"), (ii) senior in right of payment to the Obligors' existing and future subordinated indebtedness, (iii) effectively senior to all existing and future indebtedness of the Obligors that is not secured by a lien, to the extent of the value of (a) the Shared Collateral after payment in full of the First Priority Secured

Obligations and giving effect to the rights of the First Priority Secured Debt to receive payments prior to the New Notes, and (b) the Azul Cargo Collateral after payment in full of the Azul Cargo Priority Secured Debt and giving effect to the rights of the Azul Cargo Priority Secured Debt to receive payments prior to the New Notes, (iv) effectively subordinated to any existing or future indebtedness of the Obligors that is secured by liens on assets that do not constitute a part of the Shared Collateral and the Azul Cargo Collateral to the extent of the value of such assets, (v) effectively subordinated to any existing or future First Priority Secured Debt (including the AerCap Secured Obligations and the Convertible Debentures) that is secured by the Collateral on a "first out" basis pursuant to the terms of the Intercreditor Agreement which First Priority Secured Debt has the right to receive payments, including the proceeds of any enforcement of Shared Collateral, or any guarantees of any Series of Secured Debt (including the New Notes Guarantees), on a "first out" basis prior to the payment of amounts due and payable in respect of the New Notes Secured Obligations, except in certain cases as set forth under "Description of New Notes—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement," and (vi) effectively subordinated to any existing or future Azul Cargo Priority Secured Debt that is secured by the Azul Cargo Collateral on a "first out" basis pursuant to the terms of the Azul Cargo Intercreditor Agreement which Azul Cargo Priority Secured Debt has the right to receive payments, including the proceeds of any enforcement of Azul Cargo Collateral, on a "first out" basis prior to the payment of amounts due and payable in respect of the New Notes and the New Notes and New Notes Guarantees, except in certain cases as set forth under "Description of New Notes—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement." Notwithstanding the foregoing, your ability to enforce the New Notes, the New Notes Guarantees and any other obligations thereunder may be adversely affected by the laws and regulations otherwise applicable to the New Notes and the New Notes Guarantees. For more information, see "Risk Factors—Risk Factors Relating to the New Notes—The obligations under the New Notes will be subordinated to certain statutory liabilities," "—Insolvency laws in the United States, Cayman Islands and in Brazil may preclude holders of New Notes from recovering payments due on the New Notes" and "—The insolvency laws of Brazil may provide you with less protection than would be the case under U.S. bankruptcy laws." For additional information in relation to the structural subordination of the New Notes, see "Risk Factors—Risks Relating to the New Notes—The New Notes and the New Notes Guarantees will be structurally subordinated to the indebtedness and other obligations of the subsidiaries of the Guarantors that are not Obligors."

As of March 31, 2023, and December 31, 2022, after giving pro forma effect to the issuance of the New Notes by the New Notes Issuer (assuming all Existing Notes are tendered for exchange prior to the Early Participation Deadline and are exchanged for New Notes), Azul would have had approximately R$8,804.8 million and R$8,985.8 million outstanding aggregate principal amount of loans and financing indebtedness, respectively (or US$1,733.1 million and US$1,768.7 million aggregate outstanding amount of consolidated indebtedness, respectively, in each case based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00), including approximately R$2,779.5 million and R$3,060.1 million, respectively (or US$547.1 million and US$602.3 million, respectively, in each case at the aforementioned exchange rate) of consolidated

	indebtedness secured by liens on our assets as to which the New Notes are effectively subordinated to the extent of the value of such assets.
Mandatory Prepayments; No Sinking Fund	Upon receipt by the Parent Guarantor or any of its Subsidiaries of net proceeds from: • the incurrence of any indebtedness by the IP Parties, IntelAzul or Azul Viagens (other than with respect to any Indebtedness permitted to be incurred pursuant to "Description of New Notes—Certain Covenants—Incurrence of Indebtedness"); • any Collateral Sale (as defined under "Description of New Notes—Certain Definitions"); or • any Pre-paid Points Purchases (other than Blocked Pre-paid Points Purchases) above a certain threshold (each as defined under "Description of New Notes—Certain Definitions, the New Notes Issuer will be required to use an amount equal to such net proceeds: *first*, to the extent required or permitted under any First Priority Secured Debt, to redeem the outstanding First Priority Secured Debt with such net proceeds in accordance with the terms of such First Priority Secured Debt (plus accrued and unpaid interest, additional amounts and any premium thereon); and *second*, use any remaining net proceeds to redeem the New Notes of the relevant series at a prepayment price equal to the redemption price that would be due if the New Notes of the relevant series were being redeemed pursuant to "Description of New Notes—Optional Redemption," on the applicable Prepayment Date (as defined under "Description of New Notes—Mandatory Prepayments; No Sinking Fund"). See "Description of New Notes—Mandatory Prepayments; No Sinking Fund."
Mandatory Repurchase Offers for New Notes	Upon receipt by the Parent Guarantor or any of its Subsidiaries of: • net proceeds from the settlement of, or payment in respect of, any property or casualty insurance claim or any condemnation proceeding relating to any Collateral in excess of US$10.0 million in the aggregate since the Closing Date (subject to certain customary exceptions, limitations and reinvestment rights); or • net proceeds of any indemnity, termination payment or liquidated damages payment under any TudoAzul Agreement or any Azul Viagens Agreement in excess of US$10.0 million in the aggregate since the Closing Date (subject to certain customary exceptions and limitations), the New Notes Issuer will be required to use an amount equal to such net proceeds: *first,* to the extent required or permitted under any First Priority Secured Debt, to make an offer to the holders of First Priority Secured Debt to repurchase such First Priority Secured Debt with such net proceeds in accordance with any applicable terms of such First Priority Secured Debt; and

	second, use any remaining net proceeds (including any remaining net proceeds as a result of the holders of First Priority Secured Debt not accepting the offer to repurchase) to make an offer to purchase the maximum principal amount of New Notes on a pro rata basis that may be purchased out of the relevant series of New Notes' allocable share of such proceeds at a repurchase price equal to par plus accrued and unpaid interest on the principal amount being repurchased to, but excluding, the repurchase date. See "Description of New Notes—Offers to Purchase—Mandatory Repurchase Offers for New Notes."
Mandatory Repurchase Offer for New 2029 Notes	The Issuer shall, no later than October 26, 2024 (being the maturity date of the Existing 2024 Notes) consummate the New 2029 Notes Repurchase Offer (as defined under "Description of New Notes—Certain Definitions") to all Holders of New 2029 Notes to purchase, on a pro rata basis, an amount equal to 19% of the outstanding aggregate principal amount of the New 2029 Notes on the Closing Date, at a purchase price equal to 100% of the principal amount of the New 2029 Notes plus accrued and unpaid interest thereon to, but excluding, the repurchase date. The Issuer shall be permitted to commence the New 2029 Notes Repurchase Offer on any Business Day determined by the Issuer in its sole discretion; provided that the New 2029 Notes Repurchase Offer is consummated on or before October 26, 2024. If the Issuer has not consummated the New 2029 Notes Repurchase Offer by November 30, 2023, then the interest rate on the New 2029 Notes shall increase by 2.000% (the "Repurchase Offer Step-up Amount") with effect from such date. The Repurchase Offer Step-up Amount shall cease to apply with effect from the date that the Issuer consummates the New 2029 Notes Repurchase Offer. See "Description of New Notes—Offers to Purchase—Mandatory Repurchase Offer for New 2029 Notes" for further information, including certain restrictions that will apply to the Parent Guarantor and its Subsidiaries have consummated the New 2029 Notes Repurchase Offer.
Parent Change of Control Event Offer to Purchase.....	Upon the occurrence of a Parent Change of Control Event (as defined under "Description of New Notes—Certain Definitions"), the New Notes Issuer will be required to make an offer to purchase all of the New Notes then outstanding at a purchase price of 101% of the principal amount of the New Notes plus accrued and unpaid interest thereon, and any additional amounts, if any, to the repurchase date. See "Description of New Notes—Parent Change of Control Event Offer to Purchase."
Optional Redemption with a Make-Whole Premium	Prior to May 28, 2025 (the "New 2029 Notes Initial Call Date"), the New Notes Issuer may redeem the New 2029 Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of: • (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the New 2029 Notes were redeemed on the New 2029 Notes Initial Call Date at the applicable redemption price for such date set forth

in the table under "Description of New Notes—Optional Redemption—Optional Redemption without a Make-Whole Premium" for the New 2029 Notes) on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined under "Description of New Notes—Optional Redemption—Optional Redemption without a Make-Whole Premium") plus 50 basis points less (b) interest accrued to the redemption date (the excess of such amount, if any, over the principal amount to be redeemed, the "New 2029 Notes Make-Whole Redemption Premium"); and

- 100% of the principal amount of the New 2029 Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon, and any additional amounts, if any, to the redemption date.

Prior to May 28, 2026 (the "New 2030 Notes Initial Call Date"), the New Notes Issuer may redeem the New 2030 Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

- (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the New 2030 Notes were redeemed on the New 2030 Notes Initial Call Date at the applicable redemption price for such date set forth in the table under "Description of New Notes—Optional Redemption — Optional Redemption without a Make-Whole Premium" for the New 2030 Notes) on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points less (b) interest accrued to the redemption date (the excess of such amount, if any, over the principal amount to be redeemed, the "New 2030 Notes Make-Whole Redemption Premium"); and

- 100% of the principal amount of the New 2030 Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon, and any additional amounts, if any, to the redemption date.

See "Description of New Notes—Optional Redemption—Optional Redemption with a Make-Whole Premium."

Optional Redemption of the New 2029 Notes without a Make-Whole Premium.....

On or after the New 2029 Notes Initial Call Date, the New Notes Issuer may, at its option, redeem the New 2029 Notes, in whole or in part, at the following redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest to, but excluding, the redemption date and additional amounts, if any, on the New 2029 Notes redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on May 28 of the years indicated below, subject to the rights of Holders of New 2029 Notes on the relevant record date to receive interest on the relevant New Notes Interest Payment Date:

Year	Percentage
2025.....	103.000%
2026 (and thereafter).....	100.000%

See "Description of New Notes—Optional Redemption—Optional Redemption of the New 2029 Notes."

Optional Redemption of the New 2030 Notes without a Make-Whole Premium.....

On or after New 2030 Notes Initial Call Date, the New Notes Issuer may, at its option, redeem the New 2030 Notes, in whole or in part, at the following redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest to, but excluding, the redemption date and additional amounts, if any, on the New 2030 Notes redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on May 28 of the years indicated below, subject to the rights of Holders of New 2030 Notes on the relevant record date to receive interest on the relevant New Notes Interest Payment Date:

Year	**Percentage**
2026.....	105.438%
2027.....	102.719%
2028 (and thereafter)	100.000%

See "Description of New Notes—Optional Redemption—Optional Redemption of the New 2030 Notes."

Optional Redemption upon a Tax Event .....

The New Notes Issuer may, at its option, redeem all, but not less than all, of the New Notes at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest to, but excluding, the redemption date, and any additional amounts due thereon, if the laws or regulations affecting certain taxes change in certain respects.

See "Description of New Notes—Optional Redemption—Optional Redemption upon a Tax Event."

Optional Clean-Up Redemption .....

In connection with any tender offer (including any Parent Change of Control Offer (as defined in the "Description of New Notes") or Mandatory Repurchase Offer (as defined in the "Description of New Notes") made in accordance with the terms of the New Notes Indenture) for New Notes of the relevant series, if Holders of not less than 85% in aggregate principal amount of the outstanding New Notes of such series validly tender and do not withdraw such New Notes in such tender offer and the New Notes Issuer, or any third party making such tender offer purchases all of the New Notes of such series validly tendered and not withdrawn by such Holders, the New Notes Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice to the Holders (with a copy to the Trustee), given not more than 30 days following such purchase date, to redeem or purchase all the New Notes of such series that remain outstanding following such purchase at a price equal to the price paid to the Holders in such tender offer plus, to the extent not included in the purchase price, accrued and unpaid interest and Additional Amounts, if any, on the New Notes of such series that remain outstanding, to, but excluding, the date of redemption.

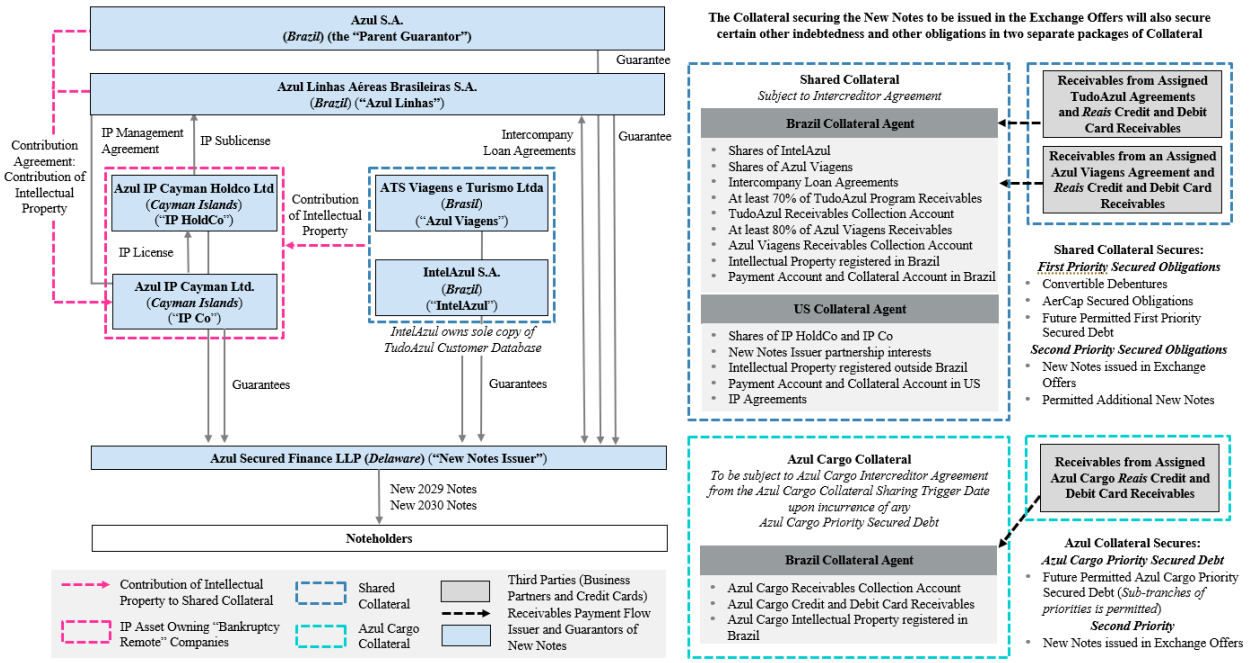
	See "Description of New Notes—Optional Redemption—Optional Clean-Up Redemption."
Additional Amounts	All payments (including any premium paid upon redemption of the New Notes) by or on behalf of the New Notes Issuer or a successor in respect of the New Notes or the Guarantors or a successor in respect of the relevant New Notes Guarantee, will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments, or other governmental charges of whatever nature imposed or levied by or on behalf of Brazil, the United States, the Cayman Islands or any authority therein or thereof or any other jurisdiction in which the New Notes Issuer or the Guarantors (or in each case, their successor) are organized or doing business or from or through which payments are made in respect of the New Notes or any political subdivision or taxing authority thereof or therein (any of the aforementioned being a "Taxing Jurisdiction"), unless the New Notes Issuer or the Guarantors (or their respective successor) are compelled by law to deduct or withhold such taxes, duties, assessments, or governmental charges. In such an event, the New Notes Issuer or the Guarantors (or, in each case, their successor) will pay additional amounts as may be necessary to ensure that the net amounts receivable by registered holders of the New Notes after such withholding or deduction shall equal the respective amounts of principal and interest (or other amounts stated to be payable under the New Notes) which would have been receivable in respect of the New Notes in the absence of such withholding or deduction, subject to certain exemptions. For a discussion of the tax consequences of, and limitations on, the payment of additional amounts with respect to any such taxes, see "Description of New Notes—Additional Amounts" and "Taxation."
Covenants	The New Notes Indenture will contain covenants that restrict our and our subsidiaries' ability (including the ability of the New Notes Issuer and the Guarantors) to, among other things: • dispose of the Collateral; • incur certain additional indebtedness; • incur certain 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, amend, waive, supplement or make other modification of the IP Licenses, the Contribution Agreements and the Management Agreement (each as defined under "Description of Certain Material Transaction Agreements"). These covenants are subject to a number of important limitations and exceptions. See "Description of New Notes—Covenants."

Events of Default.....	For a discussion of certain events of default that will permit acceleration of the principal amount of the New Notes plus accrued and unpaid interest and any other amounts due with respect to the New Notes, see "Description of New Notes—Events of Default."
Use of Proceeds.....	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. See "Use of Proceeds."
Book-Entry System; Delivery and Form and Denomination of the New Notes	The New Notes will be issued by the New Notes Issuer in the form of global notes without coupons and registered in the name of a nominee of DTC. The New Notes will be issued by the New Notes Issuer in minimum denomination of US$175,000 and integral multiples of US$1.00 in excess thereof.
Governing Law.....	The New Notes, the New Notes Guarantees and the New Notes Indenture will be governed by the laws of the State of New York. The Collateral will be governed by the laws of New York, Brazil and Cayman Islands, as indicated in each of the documents.
Listing.....	Application will be made for the listing of and quotation of the New Notes on the Official List of the SGX-ST. The New Notes will be traded on the SGX-ST in a minimum board lot size of US$175,000 (or the equivalent in foreign currencies) for so long as the New Notes are listed on the SGX-ST.
New Notes Trustee and Collateral Agents	UMB Bank, N.A., as New Notes trustee and U.S. collateral agent (in such capacities, the "New Notes Trustee" and the "U.S. Collateral Agent," respectively) and TMF Brasil Administração e Gestão de Ativos Ltda., as Brazilian collateral agent (the "Brazilian Collateral Agent" and, together with the U.S. Collateral Agent, the "Collateral Agents").
Transfer Restrictions	The offering, issuance and sale of the New Notes has not been and will not be registered under the Securities Act and are subject to restrictions on transfer and resale, including prohibitions on transfers to Competitors. See "Transfer Restrictions" and "Offer and Distribution Restrictions."
No Registration Rights	The New Notes Issuer has no intention or obligation to register the New Notes for resale under the Securities Act or the securities laws of any other jurisdiction or to offer to exchange the New Notes for registered notes under the Securities Act or the securities laws of any other jurisdiction.
Further Issuances.....	We may, from time to time, to the extent permitted under the New Notes Indenture (which includes the First Supplemental Indenture in relation to the New 2029 Notes and the Second Supplemental Indenture in relation to the New 2030 Notes), and as described under "Certain Covenants—Incurrence of Indebtedness" and "Certain Covenants—Liens," without notice to, or the consent of the Holders of, the New Notes of the relevant series, issue one or more series of additional notes (and related guarantees) under the Base Indenture and any supplemental indenture thereto, provided that any such additional notes constitute a Series of First Priority Secured Debt.

Risk Factors.....	Investing in the New Notes involves substantial risks and uncertainties. See "Risk Factors" and other information included in this Offering Memorandum and in our 2022 Form 20-F incorporated by reference into this Offering Memorandum for a discussion of factors you should carefully consider before deciding to invest in the New Notes.

ILLUSTRATIVE FINANCING STRUCTURE

The following chart shows the organizational structure of certain subsidiaries of Azul immediately following the offering and certain elements of the structure of the New Notes and the Collateral. The chart should be read in conjunction with the information contained in, or incorporated by reference into, this Offering Memorandum as a whole, and is provided for indicative and illustrative purposes only. All company ownership is 100% (other than with respect to the special shares issued to the Special Shareholder).



RISK FACTORS

You should consider carefully the following factors, as well as the other information set forth in this Offering Memorandum and in the documents incorporated by reference in this Offering Memorandum, including the risks relating to Azul which are set forth in our 2022 Form 20-F before making an investment decision. Any of the risk factors could significantly and negatively affect our business, financial condition or operating results and the trading price of the Existing Notes and the New Notes. You could lose all or part of your investment.

Risk Factors Relating to the Business of Azul and Azul's Indebtedness

In addition to the risk factor set forth below, for the risks relating to the business of Azul, including those related to the indebtedness of Azul, please refer to "Item 3. Key Information—D. Risk Factors" of our 2022 Form 20-F, which is incorporated by reference into this Offering Memorandum.

The Exchange Offers are being conducted as part of our recapitalization strategy, which includes the proposed restructuring of our obligations with lessors and engine OEMs, and no assurance can be given that these transactions will be completed.

In January 2023, Azul commenced negotiations with its aircraft lessors and aircraft and engine original equipment manufacturers ("OEMs") aimed at obtaining the short-term deferral of certain lease payments and securing the long-term reprofiling of certain lease payments and other OEM-related payment obligations.

Azul's proposals to restructure its obligations with certain aircraft lessors and OEMs contemplate (i) the elimination of lease payment obligations that had previously been deferred during the COVID-19 pandemic, (ii) a permanent reduction in lease payments from original contractual lease rates to agreed-upon current market rates, (iii) the deferral of certain payments to lessors and OEMs, as well as certain obligations under supplier agreements, and (iv) other concessions including improved end-of-lease compensation obligations and aircraft return conditions, the elimination of future maintenance reserves payments, and the negotiated early termination of certain aircraft leases.

On March 5, 2023, Azul announced that, subject to satisfaction of certain conditions, it had reached commercial agreements with lessors representing more than 90% of Azul's aggregate payment obligations under its existing lease agreements. Each commercial agreement is subject to entering into binding definitive agreements which, in certain cases, may include entering into forbearance and/or deferral agreements prior to the execution of binding definitive agreements. Azul's lessors have also generally conditioned the effectiveness of the restructuring of Azul's obligations with lessors on the restructuring of certain of our debt obligations (which may be achieved through the consummation of the Exchange Offers), as well as the raising of additional debt or equity financing before or after consummation of the Exchange Offers. If the conditions to effectiveness of the restructured lease and other obligations are not satisfied, Azul would be required to comply with the terms of the existing lease agreements and agreements with OEMs, including resumption of payments under the original contractual payment rates and schedules.

In connection with this proposed restructuring, under the commercial agreements reached, Azul currently expects to issue to certain lessors and OEMs (i) approximately US$400 million in aggregate principal amount of senior unsecured notes maturing in 2030, and (ii) an equity instrument convertible into preferred shares in the amount of approximately US$600 million at a valuation of R$36.00 per preferred share. The new senior unsecured notes are expected to be issued by a wholly-owned subsidiary of Azul (which may be the Existing Notes Issuer) and are expected to be guaranteed by Azul and Azul Linhas. The equity instrument is expected to be subject to a lock-up provision until the second half of 2024 and is expected to be released and convert in fourteen quarterly installments, starting at the end of the lock-up period and ending in the second half of 2027. The equity instrument is expected to include upside and downside limitations, whereby if the trading price of Azul's preferred shares is lower than R$36.00 at the time of measurement, Azul would be required to compensate holders for the difference either by issuing additional preferred shares or through cash settlement. If the trading price of Azul's preferred shares is higher than certain thresholds, the number of preferred shares issuable pursuant to the equity instrument will be reduced, thereby lowering dilution to existing shareholders. Given its lock-up and conversion periods, and upside and downside limitations, Azul currently expects that the equity instrument will be temporarily recognized as a liability on its balance sheet.

On April 4, 2023, (i) Azul Linhas, as lessee, and the Relevant Lessors entered into the AerCap Forbearance Agreement, and (ii) Azul Linhas, as lessee, Azul, as guarantor, and the Relevant Lessors entered into the AerCap Deferral Agreement, in each case in connection with leases of 57 aircraft (each as defined and described under "Description of Certain Indebtedness and Other Obligations—AerCap Secured Obligations"). Pursuant to the Deferral Agreement, the Relevant Lessors agreed to defer certain payments due to be made by Azul Linhas between January 1, 2023 and June 30, 2023 under the Relevant Leases, which totaled US$114.3 million in rent and other amounts due and payable to the Relevant Lessors. Pursuant to the terms of the AerCap Deferral Agreement, the final payment of the deferred lease payments covered by the AerCap Deferral Agreement is scheduled to commence on July 1, 2023 and is scheduled to be concluded by December 1, 2024. Pursuant to the AerCap Forbearance Agreement, the Relevant Lessors agreed to forbear from exercising certain rights arising in respect of defaults under the Relevant Leases until July 31, 2023, subject to certain conditions and the earlier termination of such forbearance in certain circumstances (including termination events related to Azul's efforts to restructure its aircraft lease and debt obligations and debt capital markets instruments, as well as the raising of additional debt or equity financing).

Azul is in various stages of finalizing definitive binding documentation with lessors and OEMs to implement the commercial agreements referred to above. As of the date hereof, Azul is current on payments or has entered into binding forbearance agreements in connection with certain payment and other defaults, in each case, under aircraft leases that represent in aggregate approximately 80% of Azul's aggregate payment obligations under its existing lease agreements.

In order for the proposed restructuring of Azul's obligations with lessors and OEMs to become effective, Azul will be required to conclude binding definitive agreements with the relevant lessors and OEMs and Azul will be required to satisfy various conditions. If Azul is unable to satisfy such requirements and the conditions upon which the proposed restructuring is contingent, including restructuring certain of our debt obligations (which may be achieved through the consummation of the Exchange Offers) and the raising of additional debt or equity financing, Azul may seek to extend forbearance agreements, obtain further waivers, renegotiate the terms of its proposed restructuring or seek to comply with the original terms of the agreements which are subject to the proposed restructuring. There can be no assurance that Azul's lessors or OEMs would not enforce contractual payment terms or otherwise exercise remedies in respect of such aircraft lease agreements or other financings and agreements.

We are also subject to risks associated with failure to comply with the covenants and restrictions contained in our financing agreements and other agreements. Many of such agreements contain events of default relating, among other things, to non-payment, cross-default, cross-acceleration and the restructuring, readjustment and rescheduling of debt. Failure to comply with such covenants and restrictions or the triggering of events of default, including as a result of the events and risks referred to herein, may result in counterparties enforcing the terms of agreements or exercising remedies under such agreements. In such circumstances, cross-default and/or cross-acceleration provisions in our financing and other agreements could be triggered, which could result in enforcement action being taken under such financings and other agreements. See also "Item 3. Key Information—D. Risk Factors—Risks Relating to our Business and the Brazilian Civil Aviation Industry—We may not be able to comply with the covenants and restrictions contained in our financing agreements, which could result in declaration of an event of default and acceleration of the maturity of indebtedness, causing an adverse effect on us" in our 2022 Form 20-F, which is incorporated by reference into this Offering Memorandum.

Risks Relating to the New Notes

Holders of the New Notes will depend on us to provide the New Notes Issuer and Guarantors with sufficient funds to make payments on the New Notes when due, and we may not be able to generate sufficient cash flows to meet our debt service under the New Notes.

The New Notes Issuer, a wholly-owned subsidiary of Azul, has no operations of its own, other than the issuing and making payments on the New Notes and its currently outstanding Existing 2024 Notes and Existing 2026 Notes, although the Existing Notes Issuer may, in the future, issue other debt securities and enter into other loans and financing. In addition, a substantial portion of Azul's operations are conducted through its subsidiaries, and therefore certain of the Guarantors depend on the cash flow of Azul's subsidiaries to meet their obligations, including their obligations under the New Notes. No subsidiary of Azul other than each of the Guarantors will guarantee the New Notes. Accordingly, the ability of the New Notes Issuer and Guarantors to pay principal, interest

and other amounts due on the New Notes and other loans and financing will depend upon our financial condition and results of operations.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the New Notes, will depend on our future performance and on our ability to generate cash from the operations of the subsidiaries of Azul in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. Our business may not generate sufficient cash flows from operations and future sources of financing under our credit facilities or otherwise may not be available to it in an amount sufficient to enable us to pay our indebtedness, including the New Notes, or to fund our other liquidity needs. Therefore, in the event of an adverse change in our financial condition or results of operations, the New Notes Issuer may not have sufficient funds to repay all amounts due on or with respect to the New Notes.

In addition, our cash flow from operating activities plays a significant role in funding our capital expenditures. We may need to refinance or restructure all or a portion of our indebtedness, including the New Notes, at or before maturity. We may not be able to refinance any of our indebtedness on commercially reasonable terms, or at all. If we are unable to generate cash flow and cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional equity or reducing or delaying capital expenditures and investments. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to effect such actions, if necessary, on commercially reasonable terms, or at all, which could result in a default in our debt obligations.

Our substantial indebtedness and other obligations could impair our financial flexibility, competitive position and financial condition and could prevent us from fulfilling our obligations under the New Notes and the New Notes Guarantees.

We have a substantial amount of indebtedness and other obligations. As of March 31, 2023, and December 31, 2022, Azul had R$8,644.7 million (or US$1,701.6 million) and R$8,636.4 million (or US$1,699.9 million), respectively, in current and non-current loans and financing, including approximately R$2,563.3 million (or US$504.5 million) and R$2,746.9 million (or US$540.7 million), respectively, of current and non-current loans and financing secured by liens on our assets as to which the New Notes are effectively subordinated to the extent of the value of such assets. In addition, as of March 31, 2023, and December 31, 2022, Azul had R$14,500.1 million (or US$2,854.1 million) and R$14,582.8 million (or US$2,870.4 million), respectively, in current and non-current leases. Each of the aforementioned U.S. dollar amounts are based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00. We are permitted by the terms of our other indebtedness to incur substantial additional indebtedness and other obligations, or to refinance our obligations on commercially reasonable terms, which could have a material adverse effect on our business, financial condition and results of operations.

Our substantial indebtedness and other obligations could have other important consequences for holders of the New Notes. For example, they:

- may make it more difficult for the New Notes Issuer and the Guarantors to satisfy their obligations under their indebtedness, including the New Notes;
- may limit our ability to obtain additional funding for working capital, capital expenditures, acquisitions, investments, integration costs and general corporate purposes, and adversely affect the terms on which such funding can be obtained;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness and other obligations, thereby reducing the funds available for other purposes;
- make us more vulnerable to economic downturns, industry conditions and catastrophic external events; and
- limit our ability to respond to business opportunities and to withstand operating risks that are customary in the industry.

Any of the above listed factors could materially affect our business, financial condition and results of operations.

Despite Azul's current indebtedness levels, the New Notes and the New Notes Indenture permit additional indebtedness to be incurred, which could have the effect of diminishing the value of the New Notes and the New Notes Guarantees.

While the New Notes Indenture will contain certain restrictions on the ability of certain Obligors to incur additional indebtedness that is secured on a "first out" or "second out" basis by the Shared Collateral, the New Notes Indenture will not restrict Azul, Azul Linhas or certain of their respective subsidiaries from incurring additional indebtedness. In addition, at any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens.

If other such indebtedness is incurred in the future, Azul's debt service obligations will increase. The New Notes and the New Notes Indenture do not require the Obligors to achieve or maintain any minimum financial results with respect to its results of operations or restrict the Obligors from repurchasing any indebtedness, including subordinated indebtedness.

The ability of the New Notes Issuer and such Guarantors, including Azul, to incur additional indebtedness and take a number of other actions that are not limited by the terms of the New Notes or the New Notes Indenture could have the effect of diminishing the value of the New Notes and the New Notes Guarantees.

The New Notes and the New Notes Guarantees will be structurally subordinated to the indebtedness and other obligations of the subsidiaries of the Guarantors that are not Obligors.

The New Notes will be structurally subordinated to any indebtedness and other liabilities and commitments of the subsidiaries of the Guarantors that are not Obligors. Subsidiaries of Azul that are not Obligors (excluding the Existing Notes Issuer whose only material assets and liabilities relate to the Existing Notes) held (i) R$541.6 million (US$106.6 million) or 3.1% of our consolidated total assets as of March 31, 2023, and R$543.8 million (US$107.0 million) or 2.9% of our consolidated total assets as of December 31, 2022, and (ii) R$299.9 million (US$59.0 million) or 0.8% of our consolidated total liabilities as of March 31, 2023, and R$288.8 million (US$56.8 million) or 0.8% of our consolidated total liabilities as of December 31, 2022, all of which would have been structurally senior to the New Notes (each U.S. dollar amount being based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00).

The New Notes Guarantees will also be structurally subordinated to all existing and future debt and other liabilities, including trade payables, of the subsidiaries of the Guarantors that are not Obligors. The New Notes Indenture does not prohibit the Obligors from pledging assets that do not constitute Collateral to secure other indebtedness. Any right we have to receive assets of any of our subsidiaries upon the subsidiary's liquidation or reorganization (and the consequent right of the holders of the New Notes to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors, except to the extent that we are recognized as a creditor of the subsidiary, in which case our claims would still be subordinated in right of payment to any security in the assets of the subsidiary and any indebtedness of the subsidiary senior to that which we hold. This may have the effect of reducing the amount of liquidation or similar proceeds paid to holders of the New Notes.

The New Notes and the New Notes Guarantees provided by the Guarantors will be effectively subordinated to the indebtedness of the New Notes Issuer and the Guarantors that are secured by assets other than the Collateral, to the extent of the value of those assets.

The New Notes and the New Notes Guarantees provided by the Guarantors will be (i) effectively subordinated to the indebtedness of the Obligors that is secured by assets other than the Shared Collateral and the Azul Cargo Collateral, to the extent of the value of those assets, (ii) effectively subordinated to the First Priority Secured Obligations that are secured by the Shared Collateral on a "first out" basis, and (iii) effectively subordinated to any existing or future Azul Cargo Priority Secured Debt that is secured by the Azul Cargo Collateral on a "first out" basis. As of March 31, 2023, and December 31, 2022, Azul had approximately R$17,063.4 million (US$3,358.7 million) and R$17,329.7 million (US$3,411.1 million), respectively, of current and non-current loans and financings and lease liabilities outstanding that were secured by assets (the U.S. dollar amount being based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00). The New Notes Indenture does not prohibit the New Notes Issuer or the Guarantors from pledging any assets that do not constitute Collateral to secure other indebtedness. If in the future, the New Notes Issuer or any Guarantor defaults on any debt

secured by non-Collateral assets, the holders of such debt may foreclose on such non-Collateral assets, reducing the cash flow from the foreclosed property available for payment on the New Notes or the applicable New Notes Guarantee. The holders of any of such secured debt outstanding at the time of an event of default also would have priority with respect to the non-Collateral assets securing such debt over any creditors who are not secured by such assets, including holders of the New Notes, in the event of the New Notes Issuer's liquidation, bankruptcy or similar proceedings. In the event of such a proceeding, the holders of such secured debt, if any, would be entitled to proceed against any such non-Collateral assets, and those assets or the proceeds from any sale thereof will not be available for the payment of any debt that is not secured by such assets, including the New Notes or the applicable New Notes Guarantee, until the holders of such secured debt are paid in full. As a result, the New Notes and the New Notes Guarantees will be effectively subordinated to any debt that the New Notes Issuer and the Guarantors may have now or in the future that is secured by assets other than the Collateral, to the extent of the value of those assets.

In addition, the obligations of each IP Party under the IP Licenses are structurally subordinated to all existing and future obligations of Azul's subsidiaries, other than Azul. The rights of the IP Parties (and, in turn, the holders of the New Notes) to participate in the assets of any of Azul's subsidiaries upon any liquidation or reorganization of any such subsidiary will be subject to the prior claims of such subsidiary's creditors (except to the extent that Azul, the IP Parties and the New Notes Issuer may be a creditor of such subsidiary), including such subsidiary's trade creditors.

The New Notes and the New Notes Guarantees will be subject to the Intercreditor Agreement and the Azul Cargo Intercreditor Agreement that provide the New Notes and the New Notes Guarantees will be secured, respectively, by (i) the Shared Collateral on a "second out" basis after the payment of amounts due and payable in respect of the First Priority Secured Obligations and (ii) the Azul Cargo Collateral on a "second out" basis after the payment of amounts due and payable in respect of the Azul Cargo Priority Secured Debt.

The New Notes and the New Notes Guarantees 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 Secured Debt (including the New Notes Guarantees), on a "second out" basis after the payment of amounts due and payable in respect of the First Priority Secured Obligations (including the Convertible Debentures, the AerCap Secured Obligations and any future issuance of Permitted First Priority Secured Debt) in accordance with the terms of the Intercreditor Agreement. In addition, at any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens. Prior to the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "first out" basis (as the New Notes Secured Obligations shall be the only obligations secured by the Azul Cargo Collateral prior to the Azul Cargo Collateral Sharing Trigger Date). Following the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the 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. The value of the Shared Collateral and the Azul Cargo Collateral securing the New Notes may not be sufficient to ensure repayment of the New Notes because (i) the holders of obligations under the Convertible Debentures, the AerCap Secured Obligations, and any future issuances of Permitted First Priority Secured Debt will be paid first from the proceeds of the Shared Collateral, and (ii) the holders of obligations under the Azul Cargo Priority Secured Debt, if any, will be paid first from the proceeds of the Azul Cargo Collateral. The New Notes and the New Notes Guarantees will be secured on a "second out" basis by the Shared Collateral in accordance with the provisions of the New Notes Documents, subject to certain Permitted Collateral Liens (each as defined under "Description of New Notes—Certain Definitions"), exceptions and encumbrances described in the New Notes Documents. In contrast, the obligations under the Convertible Debentures, AerCap Secured Obligations and any future issuances of Permitted First Priority Secured Debt and each Guarantor's obligations under its New Notes Guarantee of such indebtedness (as applicable) are secured on a "first out" basis by the same Shared Collateral. The New Notes Trustee, the Collateral Agents, the fiduciary agent for the Convertible Debentures, and the applicable representative for the AerCap Secured Obligations will execute the Intercreditor Agreement that will provide,

among other things, that if the New Notes Trustee, the Collateral Agents or any holder of New Notes receives any Shared Collateral, including any proceeds thereof in violation of Intercreditor Agreement, at any time prior to the payment in full of the obligations under the Convertible Debentures, the AerCap Secured Obligations, and any future issuances of Permitted First Priority Secured Debt, then it will segregate and hold such Shared Collateral and/or proceeds in trust for the benefit of the Secured Parties in accordance with the provisions of the Intercreditor Agreement and will transfer such Shared Collateral and/or proceeds, as the case may be, to the trustee or agent (as applicable) for the Secured Parties in accordance with the provisions of the Intercreditor Agreement, for payment of the Secured Obligations. If the Convertible Debentures and the AerCap Secured Obligations had constituted First Priority Secured Debt as of March 31, 2023, and December 31, 2022, we would have had R$1,759.6 million (or US$346.4 million) and R$580.7 million (or US$114.3 million) aggregate principal amount of First Priority Secured Debt, respectively, all of which would have been effectively senior to the New Notes, in addition to R$17,063.4 million (US$3,358.7 million) and R$17,329.7 million (US$3,411.1 million), respectively, in other secured debt (each U.S. dollar amount being based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00).

In addition, following the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, on a "second out" basis, in accordance with the terms of the Azul Cargo Intercreditor Agreement. In contrast, the obligations under any future Azul Cargo Priority Secured Debt, if any, will be secured on a "first out" basis by the same Azul Cargo Collateral. The Trustee, as representative of the Holders, the collateral agent in favor of which the Liens over any Azul Cargo Collateral have been granted for the benefit of the Holders and the holders of any Azul Cargo Priority Secured Debt, and the holders of, or the representative or agent for, the holders of any Series of Azul Cargo Priority Secured Debt will execute the Azul Cargo Intercreditor Agreement that will provide, among other things, that if the Trustee, the collateral agents or any holder of New Notes receives any Azul Cargo Collateral, including any proceeds thereof in violation of the Azul Cargo Intercreditor Agreement, at any time prior to the payment in full of the obligations under any Azul Cargo Priority Secured Debt, then it will segregate and hold such Azul Cargo Collateral in accordance with the provisions of the Azul Cargo Intercreditor Agreement and will transfer such Azul Cargo Collateral in accordance with the provisions of the Azul Cargo Collateral Intercreditor Agreement, for payment of the Azul Cargo Priority Secured Debt.

If the New Notes Issuer defaults on the New Notes and the Guarantors default on their respective New Notes Guarantees, we cannot assure the holders of the New Notes that (i) the New Notes Trustee or the Collateral Agents would receive sufficient proceeds from the sale of the Shared Collateral to repay and discharge all First Priority Secured Obligations (including the Convertible Debentures, the AerCap Secured Obligations, and any future issuances of Permitted First Priority Secured Debt), and (ii) the Trustee, as representative of the Holders, or the collateral agent in favor of which the Liens over any Azul Cargo Collateral have been granted for the benefit of the Holders and the holders of any Azul Cargo Priority Secured Debt, if any, would receive sufficient proceeds from the sale of the Azul Cargo Collateral to repay and discharge all Azul Cargo Priority Secured Debt.

The Obligors are permitted to incur Permitted First Priority Secured Debt or issue Permitted Additional New Notes (which debt would be secured on a "first out" or "second out" basis, respectively, by the Shared Collateral), which amounts are permitted to be substantial. In addition, at any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens, which amounts are permitted to be substantial. If the proceeds of any sale of the Shared Collateral are not sufficient to repay and discharge all First Priority Secured Obligations (including the Convertible Debentures, the AerCap Secured Obligations, and any future issuances of Permitted First Priority Secured Debt), and if the proceeds of any sale of the Azul Cargo Collateral are not sufficient to repay and discharge all Azul Cargo Priority Secured Debt, then claims of the holders of the New Notes against our remaining assets to repay any amounts still outstanding under such First Priority Secured Obligations, would be unsecured. In any such deficiency claim, obligations under all Secured Obligations would be unsecured to the extent of such deficiency in Collateral. In the event of a foreclosure on the Shared Collateral, the proceeds from such foreclosure may not be sufficient to satisfy the obligations under the New Notes because such proceeds would, under the Intercreditor Agreement, first be applied to satisfy the obligations under all First Priority Secured Obligations (including the Convertible Debentures, the AerCap Secured Obligations, and any future issuances of Permitted First Priority Secured Debt). Only after all such First Priority Secured Obligations have been satisfied will proceeds from the Shared Collateral be applied to satisfy the obligations of the New Notes Issuer and the Guarantors under the New Notes. In the event of a foreclosure on

the Azul Cargo Collateral, the proceeds from such foreclosure may not be sufficient to satisfy the obligations under the New Notes because such proceeds would, under Azul Cargo Intercreditor Agreement, first be applied to satisfy the obligations under each Series of Azul Cargo Priority Secured Debt. Only after all such Azul Cargo Priority Secured Debt have been satisfied will proceeds from the Azul Cargo Collateral be applied to satisfy the obligations of the New Notes Issuer and the Guarantors under the New Notes. As a result, you may lose a portion of or the entire value of your investment in the New Notes. In addition, subject to certain limited exceptions, the New Notes Indenture does not restrict Azul or any of its subsidiaries from incurring additional indebtedness in the future that is not secured by the Collateral, and any such incurrences of indebtedness may be significant. See "—Our substantial indebtedness and other obligations could impair our financial flexibility, competitive position and financial condition and could prevent us from fulfilling our obligations under the New Notes and the New Notes Guarantees" above.

The obligations under the New Notes will be subordinated to certain statutory liabilities.

Under United States and Brazilian bankruptcy law, the New Notes Issuer's and the Guarantors' obligations under the New Notes are subordinated to certain statutory preferences. In the event of liquidation, statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses, will have preference over any other claims, including claims by any holder in respect of the New Notes. This may have the effect of reducing the amount of proceeds paid to you.

Insolvency laws in the United States, Cayman Islands and in Brazil may preclude holders of New Notes from recovering payments due on the New Notes.

The New Notes Issuer is organized under the laws of the United States, and the Guarantors are organized under the laws of Brazil and the Cayman Islands, and the principal place of business (*domicilio social*) of the Guarantors (other than the IP Parties) is in Barueri, São Paulo, Brazil. As a result, any future insolvency proceedings in respect of the New Notes Issuer or the Guarantors may be initiated in different jurisdictions, including in the United States, the Cayman Islands or Brazil, as applicable. United States, Cayman Islands and Brazilian insolvency laws may limit the ability of holders to enforce their rights under and recover payments due on the New Notes.

The insolvency laws of Brazil may provide you with less protection than would be the case under U.S. bankruptcy laws.

The insolvency laws of Brazil applicable to the New Notes Issuer and the Guarantors, particularly as they relate to the priority of creditors (secured or unsecured), the ability to obtain post-petition interest and the duration of insolvency proceedings, may be less favorable to your interests than the bankruptcy laws of the United States.

Under Brazilian insolvency laws, the main Brazilian insolvency proceedings affecting creditors are (i) preliminary injunctive relief request, (ii) judicial reorganization (*recuperação judicial*), (iii) extrajudicial reorganization (*recuperação extrajudicial*), (iv) bankruptcy liquidation (*falência*), and (v) proceedings to recognize a foreign insolvency proceeding (*reconhecimento de processo estrangeiro*).

Among the various key provisions of Law No. 11,101, dated February 9, 2005, as amended (including by Law No. 14,112, dated December 24, 2020) (the "Brazilian Bankruptcy Law") relating to judicial reorganizations, the most significant are those providing more control over the reorganization process to the creditors. As a general rule, all existing claims prior to the filing of judicial reorganization proceeding are subject to the proceeding, even contingent claims (pursuant to Article 49 of Brazilian Bankruptcy Law). Claims denominated in foreign currency are listed in the relevant currency and are only converted into Brazilian *reais* on the eve of the general creditors' meeting (for voting purpose). By statutory provision, certain claims are not subject to the judicial reorganization, including (a) secured by fiduciary assignment/lien (*cessão/alienacão fiduciária*) (up to the value of the collateral); (b) arising from an advance of foreign exchange agreements (*adiantamento de contrato de câmbio*) ("ACC"), and (c) tax claims, in accordance with the current Brazilian Bankruptcy Law, but the ability to enforce the rights thereunder may be impaired by a filing. The judicial reorganization request must be filed by the debtor (only voluntary filings are allowed) along with an analysis of the debtor's financial and economic condition and the feasibility of its business and other documents. After the judicial reorganization proceeding is accepted by the court, the debtor must present a judicial reorganization plan to creditors within 60 days (according to Article 53 of

Brazilian Bankruptcy Law). In case certain requirements are met, creditors are also allowed to submit their own alternative reorganization plan.

Under Brazilian Bankruptcy Law, the acceptance by the court of the judicial reorganization proceeding stays the course of all collection lawsuits filed against the debtor for a period of 180 days (the "Stay Period"), except the collection of claims not subject to judicial reorganization or proceedings where creditors seek payment of amounts not yet liquidated. Such period may be generally extended by courts for another 180 days; however, multiple judicial precedents have extended this period until approval and confirmation of the plan. During the Stay Period, foreclosure of collateral in the form of capital goods, granted in the form of fiduciary assignment lien, even though not subject to judicial reorganization, may be subject to certain restrictions. For instance, (a) Article 49, §3 restricts the foreclosure of assets that are deemed to be essential to carry out the debtor's activities and (b) Article 49, §5 establishes that any credit rights and receivables pledged on behalf of creditors shall be deposited into a judicial account and shall not be withdrawn during the Stay Period.

The judicial reorganization plan for in court reorganizations must be approved by the following classes of creditors present (in attendance of) a creditors' meeting (or by certain adhesion forms): (i) labor creditors (to be approved by a majority of voting creditors); (ii) secured creditors (to be approved by a majority of creditors both by headcount and credit value present at the meeting); (iii) unsecured creditors (to be approved by a majority of creditors both by headcount and credit value), which include all types of unsecured claims except unsecured claims that fall within the other classes described herein (e.g., subordinated unsecured claims, claims held by equityholders, special and general privileged claims); (iv) claims held by small enterprises (to be approved by a majority of voting creditors). These thresholds take into account the creditors/claims attending the general creditors' meeting. In addition, the plan may be court-approved by way of "cramdown" (pursuant to Article 58, §1 of Brazilian Bankruptcy Law) even though it was rejected pursuant to the general approval requirements if it: (i) was approved by creditors that represent more than 50% of the total claims present at the creditors' meeting, regardless of the class of creditors; (ii) was rejected by only one class of creditors; and (iii) within the rejecting class, it was accepted by more than one-third of the claims and/or headcount, as applicable (thresholds according to general rule for approval). After the approval of the plan (either by the general creditors' meeting or via cram-down), the court will review the plan for a legality check and must confirm it for the judicial reorganization to be granted to the debtor.

An alternative judicial reorganization plan may be proposed by creditors if the plan proposed by the debtor is rejected at the general creditors' meeting or if the Stay Period elapses before the plan presented by the debtor is submitted to voting (Articles 6, §4-A and 56, §4º of the Brazilian Bankruptcy Law). In case the plan proposed by the debtor is rejected, creditors may present an alternative plan only if this possibility is approved at the general creditors' meeting in which the plan was rejected by creditors who represent the majority of credit value under the reorganization present at the meeting. If such possibility is approved, the creditors may present the alternative reorganization plan within 30 days, and such plan must follow certain specific requirements provided by law (pursuant to Article 56, §§4, 5 and 6 of Brazilian Bankruptcy Law).

The approval of a judicial reorganization plan is considered a novation and it binds the debtor and all creditors subject to it. The parties have leeway to negotiate the terms of the judicial reorganization plan, including, for instance, the reduction of claims and priority of repayment. Debtors may carry out corporate actions to facilitate recovery. Examples include spin-offs, mergers, transfers or leases, conclusion of collective labor agreements, sale of assets, issue of debentures, replacement of guarantees and other analogous measures (according to Article 50 of Brazilian Bankruptcy Law). In addition, under the Brazilian Bankruptcy Law, the acquirer of assets of the debtor sold in the form of "isolated productive units" will not be held liable for any of the debtor's liabilities (including tax, environmental and labor liabilities). This rule is applicable in a case of the sale of branches or isolated production units and, in addition, may apply to the sale of the whole business in case it is sold meeting the requirements set forth for the sale of "isolated productive units."

An extrajudicial reorganization (*recuperação extrajudicial*) is an out-of-court restructuring (sometimes referred to as a pre-packaged reorganization) under the Brazilian Bankruptcy Law, which is a private settlement between the debtor and its creditors which must be submitted to the Brazilian court in order to become enforceable against all the creditors belonging to the class(es)/subclass(es) of creditors subject to the proceedings. An extrajudicial reorganization may affect participating and non-participating creditors if the claims of the non-participating creditors are dealt with in the extrajudicial reorganization is supported by more than 50% of claims of each group treated therein (pursuant to Article 163 of the Brazilian Bankruptcy Law). Claims arising from tax matters cannot be

impaired by an extrajudicial reorganization, and claims arising from labor matters will only be subject to the out of court reorganization through collective bargaining with the union of the respective professional category. The case may be filed with the support of only one-third (1/3) of creditors of each impaired group, and the debtor will have a time-period of 90 days to obtain the support of the remaining creditors to reach the approval threshold (50% of claims of each). Once approved, the reorganization plan in an extrajudicial reorganization will bind all creditors and claims impaired by it, whether or not such creditors executed/adhered to the reorganization plan. Under an out-of-court proceeding, shareholders and directors keep the control and management of the company. Creditors may challenge a reorganization plan or the quorum, but there are no specific legal provisions related to "proofs of claims" (*habilitação de crédito*) for an extrajudicial reorganization.

Bankruptcy liquidation (*falência*) is a proceeding carried out in the collective interest of the creditors of a certain debtor and culminates with a court liquidation, in which the main purpose is to wind up and sell the assets of the debtor in order to satisfy the credits held by each creditor pursuant to a priority ranking.

In addition, Brazilian Bankruptcy Law provides for the recognition of foreign insolvency proceedings (such as a proceeding under chapter 11 of the Bankruptcy Code), which could be recognized as a foreign main proceeding (*processo estrangeiro principal*) or a foreign non-main proceeding (*processo estrangeiro não principal*) based on the center of main interest of the debtor. The bankruptcy court of the main establishment of the debtor in Brazil will have the jurisdiction to rule on the recognition of a foreign insolvency proceeding and to cooperate with the foreign authorities. The recognition of a foreign main proceeding will automatically apply a stay of enforcement proceedings against the debtor, a stay of statute of limitations against the debtor and the ineffectiveness of any transfer on debtor's asset without a court authorization. The stay is not applicable to creditors that are not subject to the reorganization proceeding and to lawsuits that discuss illiquid claims. Preliminary injunctions may be applicable to protect the bankruptcy estate or its administration until the recognition of a foreign insolvency proceeding. After that recognition, the foreign representative of the main or secondary proceeding may request other measures to the Brazilian bankruptcy court, such as hearing, collecting of evidence, information about assets and file lawsuit to protect/recover the bankruptcy estate's assets. The bankruptcy estate's foreign representative may request the recognition of foreign insolvency proceeding and its measures directly to the Brazilian bankruptcy court. Foreign creditors will have in principle the same rights of the Brazilian creditors. If there is no similar classification in Brazil to a foreign credit, that credit will be listed as an unsecured credit. Any insolvency proceeding in Brazil can only be requested if the debtor has assets or activities in Brazil. The Brazilian bankruptcy court shall seek to cooperate and coordinate its decisions with the foreign proceeding, including in the termination of the proceeding.

In the event of bankruptcy liquidation of any of the Obligors, all of their debt obligations denominated in foreign currency will be converted into Brazilian *reais* at the prevailing exchange rate on the date of declaration of the bankruptcy by the court (pursuant to Article 77 of the Brazilian Bankruptcy Law). In addition, companies in Brazil may only remit funds out of Brazil and/or convert such funds into hard currency in strict compliance with foreign exchange rules, and there can be no assurance that such companies would have the ability to convert Brazilian *reais* into U.S. dollars or any other currency, nor that such companies would be able to remit such funds out of Brazil.

In addition, if the value of Azul's assets is insufficient to pay its creditors, no interest accrues on claims, except interest on debentures and secured claims, which can be paid with the proceeds resulting from the sale of the underlying security (pursuant to Article 124, sole paragraph, of the Brazilian Bankruptcy Law).

Moreover, if Azul is declared bankrupt, its obligations will be subordinated to the statutory priorities established by the Brazilian Bankruptcy Law. According to Brazilian Bankruptcy Law, in case of bankruptcy, payments of any amounts due by the debtor shall follow the following priority ranking, according to Articles 83 and 84 of the Brazilian Bankruptcy Law:

Superpriority Claims (Article 84 of the Brazilian Bankruptcy Law):

- administrative expenses incurred in connection with liquidation proceeding and labor claims of salary nature overdue in the 3 months prior to the liquidation order, up to a limit of 5 minimum monthly wages per creditor, which shall be paid as soon as cash is available;

- debtor-in-possession (DIP) financing claims granted during a prior judicial reorganization proceeding; and

- claims subject to restitution in cash to a creditor, such as:
    - the amount equivalent to the value of the assets, which were not owned by the debtor, but were under its possession at the time of the liquidation order, *provided* that such assets ceased to exist;
    - amounts given to the debtor in national currency resulting from advance to exchange agreements for export;
    - amounts given to the debtor in good faith in the event of revocation or ineffectiveness of the relevant agreement (ACC);
    - taxes that may be withheld by payor, subject to third party discounts, and subject to subrogation, and amounts received by the collecting agents and not yet delivered to the public treasury;
    - amounts owed to the judicial administrator and its assistants, members of the creditor's committee, labor claims and claims arising from work-related accidents related to services rendered after the bankruptcy has been ordered;
    - obligations resulting from valid acts carried out during the judicial reorganization, including those related to the payment of suppliers of services or goods who supported the debtor during the reorganization, or after the liquidation order;
    - amounts provided to the debtor by creditors during the liquidation proceeding;
    - expenses related to the disposal of assets and the liquidation proceeding;
    - courts fees in proceedings to which the debtor was the losing party; and
    - tax claims originated from facts occurred after the liquidation order.

Regular Pre-Petition Claims (Article 83 of the Brazilian Bankruptcy Law):

- labor-related claims up to 150 minimum monthly wages (as determined by the Federal Government of Brazil) per creditor plus claims for damages arising from labor-related accidents;
- claims secured by mortgages or pledges (up to the value of the collateral), which does not apply to collateral granted in the form of fiduciary assignments;
- tax claims regardless of their nature and time of constitution, except for tax penalties;
- unsecured claims (including labor-related claims in excess of the amount referred to above and claims of secured creditors with a value exceeding that of the collateral);
- contractual penalties and fines for breach of criminal or administrative law (including tax-related fines);
- subordinated claims, as defined by law or pursuant to the relevant agreement; and
- interest overdue after the liquidation order.

There are certain claims that are senior to or excluded from the priority order above, such as: (a) proceeds from fiduciary assignment/lien (*cessão/alienação fiduciária*), pursuant to Article 49, § 3 of Brazilian Bankruptcy Law, up to the value of the collateral (provided that any deficiency claims, i.e. claims not secured by a fiduciary assignment or a lien, mortgage or pledge, will be categorized as an unsecured claim for the purposes of such waterfalls); and (b) credits and obligations assumed before any clearings systems pursuant to Article 193 of Brazilian Bankruptcy Law, amongst other specific cases established in Brazilian Bankruptcy Law.

It is impossible to predict how long payments under the New Notes could be delayed following commencement of a bankruptcy case or liquidation proceeding. The holders of the New Notes may receive in exchange for their claims a recovery that could be substantially less than the amount of their claims (potentially even nothing) and any such recovery could be in the form of cash, new debt instruments or some other security.

In addition, the bankruptcy, insolvency, administrative and other laws of Brazil may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of government entities and other third-party and related-party creditors, ability to obtain post-bankruptcy filing loans or to pay interest and the duration of proceedings. The laws of Brazil may not be as favorable to your interests as the laws of jurisdictions with which you are familiar. The application of these laws, or any conflict among them, could call into question what and how such laws should apply. Such issues may adversely affect your ability to foreclose on, or enforce the rights of holders of the New Notes against the New Notes Issuer in respect of, its obligations under the indenture in Brazil.

The insolvency laws in the Cayman Islands may provide you with less protection than U.S. bankruptcy law.

The IP Parties, once incorporated prior to the first Settlement Date, will be exempted companies incorporated with limited liability under the laws of the Cayman Islands. Accordingly, insolvency proceedings with respect to the IP Parties may proceed under, and be governed by, Cayman Islands insolvency law. As a consequence, enforcement of rights under the New Notes and the Shared Collateral in an insolvency situation may be subject to the applicable rules of the Cayman Islands. In the event that the IP Parties experience financial difficulty, it is not possible to predict with certainty in which jurisdiction insolvency or similar proceedings would be commenced, or the outcome of such proceedings. The insolvency and other laws of the Cayman Islands may be materially different from, or in conflict with, the laws of the United States, including in the areas of rights of secured and other creditors, the ability to void preferential transfers, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce the rights of holders of New Notes under the Shared Collateral securing the New Notes and limit any amounts that you may receive. See "Cayman Islands Insolvency Law Considerations and Limitations on the Validity and Enforceability of the Security Interests."

There are limited financial covenants in the New Notes Indenture, and the restrictions included in the New Notes Indenture are subject to significant exceptions.

There are limited financial covenants in the New Notes Indenture. The New Notes Indenture includes certain restrictions and conditions pursuant to which the Obligors are permitted to incur Permitted First Priority Secured Debt or issue Permitted Additional New Notes (which debt would be secured on a "first out" or "second out" basis, respectively, by the Shared Collateral), including subject to the satisfaction of tests of the LTV Ratio and the Debt Service Coverage Ratio (each as defined under "Description of New Notes—Certain Definitions") for any incurrence of Permitted First Priority Secured Debt. In addition, the New Notes Indenture restricts the principal amount of Azul Cargo Priority Secured Debt that is permitted to be secured by the Azul Cargo Collateral. Furthermore, the New Notes Indenture will also restrict the ability of the Parent Guarantor and its Subsidiaries to, among other things, make certain restricted payments, such as dividends, and to create certain liens, and those provisions include certain amounts and exceptions determined based on financial metrics. In addition, the terms of certain indebtedness and other agreements contain financial covenants that are more restrictive than the financial covenants in the New Notes Indenture. Neither the New Notes nor the New Notes Indenture will contain any restrictions on the ability of the Obligors (other than the IP Parties, IntelAzul and Azul Viagens) or the other Subsidiaries of the Parent Guarantor to incur additional secured or unsecured debt or liabilities that is not secured by the Collateral. If we incur additional debt or liabilities, our ability to pay our obligations on the New Notes could be adversely affected. Furthermore, defaults under any such additional debt or liabilities may not result in an event of default under the New Notes Indenture, and a failure to pay interest on our other debt will not trigger an event of default under the New Notes Indenture. We expect that we will, from time to time, incur additional debt and other liabilities. In addition, neither the New Notes nor the New Notes Indenture will contain any restrictions on our ability to issue or repurchase the New Notes.

The New Notes Issuer and the Guarantors may not be able to finance a change of control offer required by the New Notes Indenture governing the New Notes.

Upon a Parent Change of Control Event, you will have the right to require the New Notes Issuer and the Guarantors to offer to purchase all of the New Notes then outstanding at a price equal to 101% of the principal amount of the New Notes, plus accrued interest thereon, and any additional amounts, if any, to the repurchase date. The New Notes Issuer cannot assure you that they would be able to obtain sufficient funds to pay the purchase price of the outstanding New Notes in these circumstances. The New Notes Issuer's or the Guarantors' failure to offer to purchase all outstanding New Notes or to purchase all New Notes validly tendered and not withdrawn would be an event of default under the New Notes Indenture. Such an event of default may cause the acceleration of the Guarantors' other debt. The New Notes Issuer's and the Guarantors' future debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a Parent Change of Control Event under the New Notes Indenture.

Holders of the New Notes may not be able to determine when a change of control giving rise to their right to have the New Notes repurchased has occurred following a sale of "substantially all" of our assets.

A Parent Change of Control Event will require us to make an offer to repurchase all outstanding New Notes. The definition of a Parent Change of Control includes a phrase relating to the sale or transfer of "all or substantially all" of the assets of Azul and its subsidiaries taken as a whole. See "—The New Notes Issuer and the Guarantors may not be able to finance a change of control offer required by the New Notes Indenture governing the New Notes." Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of New Notes to require the New Notes Issuer to repurchase the New Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of Azul's assets to another individual, group or entity may be uncertain.

Azul could enter into various transactions, such as acquisitions, refinancings, recapitalizations or other highly leveraged transactions, that would not constitute a Parent Change of Control Event under the New Notes Indenture, but that could nevertheless increase the amount of Azul's outstanding debt at such time, or adversely affect our capital structure, or otherwise adversely affect holders of the New Notes.

Under the New Notes Indenture, a variety of acquisition, refinancing, recapitalization or other highly leveraged transactions would not be considered a Parent Change of Control Event. The terms "Parent Change of Control" and "Parent Change of Control Event" are limited to certain specified transactions and may not include other events that might harm Azul's financial condition. See "Description of New Notes—Offers to Purchase—Parent Change of Control Event Offer to Purchase." As a result, Azul could enter into any of these transactions without being required to make an offer to purchase the New Notes even though the transaction could increase the total amount of our outstanding debt, adversely affect Azul's capital structure or otherwise materially adversely affect the holders of the New Notes. Accordingly, the New Notes Issuer's obligation to offer to purchase the New Notes upon a Parent Change of Control Event would not necessarily afford you protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving Azul.

We are not providing all of the information that would be required if this offering were being registered with the SEC.

This Offering Memorandum does not include all of the information that would be required if the Exchange Offers and the offering, issuance and sale of the New Notes were being registered with the SEC. In particular, this Offering Memorandum does not contain separate financial statements for the New Notes Issuer, including all financial statements, the ratio of earnings to fixed charges, certain executive compensation information or the guarantor/non-guarantor footnote that would be required under Rule 3-10 of Regulation S-X. We urge you to consider this factor in connection with your evaluation of your investment in the New Notes.

The New Notes are subject to transfer restrictions and are a new issue of securities for which there is currently no public market. You may be unable to sell your New Notes if a trading market for the New Notes does not develop.

The offering, issuance and sale of the New Notes has not been and will not be registered under the Securities Act, the Brazilian Securities Markets Law, the CVM Resolution 160 or the securities law of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or within Brazil or to Brazilian residents except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, the Brazilian Securities Markets Law and CVM Resolution 160, as applicable. Such exemptions include, in the case of the United States, offers and sales that occur outside the United States in compliance with Regulation S and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers in reliance on Rule 144A under the Securities Act. For a discussion of certain restrictions on resale and transfer, see "Offer and Distribution Restrictions" and "Transfer Restrictions." In addition, the New Indenture will provide that holders of the New Notes are prohibited from transferring the New Notes to persons who are Competitors, as set forth in "Description of New Notes—Affiliate Holders; Competitors." Consequently, a holder of New Notes and an owner of beneficial interests in those New Notes must be able to bear the economic risk of their investment in the New Notes for the term of the New Notes.

In addition, the New Notes will constitute new issues of securities with no established trading market. Application will be made for the listing of and quotation of the New Notes on the SGX-ST. If a trading market for the New Notes does not develop or is not maintained, holders of the New Notes may experience difficulty in reselling the New Notes or may be unable to sell them at all. Currently, there is no public market for the New Notes.

Even if a market develops, the liquidity of any market for the New Notes will depend on the number of holders of the New Notes, the interest of securities dealers in making a market in the New Notes and other factors; therefore, a market for the New Notes may develop though it may not be liquid. If an active trading market does not develop, the market price and liquidity of the New Notes may be adversely affected. If the New Notes are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, our performance and business prospects and other factors.

Changes in the credit ratings of Azul or any of its subsidiaries issued by nationally recognized statistical rating organizations could adversely affect the cost of financing of Azul and its subsidiaries and the market price of securities issued by Azul or any of its subsidiaries, including the New Notes.

Credit rating agencies rate debt securities of Azul and its subsidiaries on factors that include operating results, actions taken by Azul and its subsidiaries, their view of the general outlook for the airlines industry and their view of the general outlook for the economy. Actions taken by the rating agencies can include (i) maintaining, upgrading or downgrading the current rating or the credit rating of the New Notes after the issuance and other debt securities issued by Azul or any of its subsidiaries, or (ii) placing Azul on a watch list for possible future downgrading.

Ratings are limited in scope, and do not address all material risks relating to any debt securities (including relating to the New Notes), but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies

The ability of Azul and its subsidiaries to access the capital markets is in part driven by Azul's ratings and a further downgrading the credit rating of the debt securities of Azul or its subsidiaries or placing Azul on a watch list for possible future downgrading could, among other things:

- limit access by Azul and its subsidiaries to the capital markets or otherwise adversely affect the availability of other new financing on favorable terms, if at all;
- result in more restrictive covenants in agreements governing the terms of any future indebtedness that the Azul and its subsidiaries may incur;
- increase the cost of financing of Azul and its subsidiaries, including resulting in an increase to the interest rate applicable to borrowings under credit facilities entered into by us;

- adversely affect the market price and marketability of the outstanding debt securities of Azul and its subsidiaries, including the New Notes; and
- impair the resources available to the New Notes Issuer and the Guarantors to satisfy their obligations under the New Notes.

We cannot assure you that such ratings or outlooks will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant, and any such changes may have a material adverse effect on us.

The price of the New Notes is subject to volatility.

The market price of the New Notes could be subject to significant fluctuations due to various factors, including actual or anticipated fluctuations in our financial performance, losses of key personnel, economic downturns, political events in Brazil or other jurisdictions in which we operate, developments affecting the aviation industry, changes in financial estimates by securities analysts, the introduction of new products or technologies by us or our competitors, or our failure to meet expectations of analysts or investors.

In addition, any lowering, suspension or withdrawal of the credit ratings of the New Notes or other debt securities issued by Azul or its subsidiaries may have an adverse effect on the market price and marketability of the New Notes and/or any other securities issued by Azul or its subsidiaries. See "—Changes in the credit ratings of Azul or any of its subsidiaries issued by nationally recognized statistical rating organizations could adversely affect the cost of financing of Azul and its subsidiaries and the market price of securities issued by Azul or any of its subsidiaries, including the New Notes."

If we consummate the Exchange Offers and the Solicitations, the current ratings for our Existing Notes remaining outstanding following completion of the Exchange Offers and the Solicitations and the corporate credit ratings of Azul and its subsidiaries may not be maintained.

We cannot assure you that, as a result of the Exchange Offers and the Solicitations, the rating agencies will not downgrade or negatively comment upon the ratings for our Existing Notes that will remain outstanding following completion of the Exchange Offers and the Solicitations or the corporate credit ratings of Azul or any of its subsidiaries. Any downgrade or negative comment would likely adversely affect the market price of the New Notes or other debt securities issued by Azul or its subsidiaries and may limit access by Azul and its subsidiaries to the capital markets or otherwise adversely affect the availability of other new financing on favorable terms, if at all. See "—Changes in the credit ratings of Azul or any of its subsidiaries issued by nationally recognized statistical rating organizations could adversely affect the cost of financing of Azul and its subsidiaries and the market price of securities issued by Azul or any of its subsidiaries, including the New Notes" above.

We have a significant amount of indebtedness and other financial obligations, including in the short term, and may seek additional short-term liquidity or long-term financing, and insufficient liquidity may have a material adverse effect on our financial condition and business.

We have a significant amount of indebtedness and other financial obligations, including aircraft lease and debt financings, and other material cash obligations. In addition, we have substantial commitments for capital expenditures, including commitments for future aircraft acquisition. Although our cash flows from operations and available capital, including the proceeds from financing transactions, have been sufficient to meet our obligations and commitments to date, our liquidity has been, and may in the future be, negatively affected by the risk factors described herein and in our 2022 Form 20-F. In particular, we have substantial near-term lease obligations and debt maturities, for which our liquidity is dependent upon the execution of our ongoing recapitalization strategy, including our proposed restructuring of obligations with lessors and engine OEMs. See "—Risk Factors Relating to the Business of Azul and Azul's Indebtedness—The Exchange Offers are being conducted as part of our recapitalization strategy, which includes the proposed restructuring of our obligations with lessors and engine OEMs, and no assurance can be given that these transactions will be completed."

If our liquidity is materially diminished and/or our recapitalization strategy is unsuccessful, we might not be able to timely pay our leases and debts or comply with the operating and financial covenants under our financing and other agreements. Our substantial level of indebtedness and non-investment grade credit rating, as well as

market conditions and the availability of assets as collateral for loans or other indebtedness, together with the effects that high inflation, supply chain issues, the ongoing war between Russia and Ukraine and the COVID-19 pandemic had on the global economy generally and on us and the air transportation industry specifically, may make it difficult for us to raise additional capital if needed to meet our liquidity needs on acceptable terms, or at all. As a result, our ability to raise additional capital to meet our liquidity needs may be further challenged.

In addition, in response to high inflation, supply chain issues, the ongoing war between Russia and Ukraine and effects of the COVID-19 pandemic (including travel restrictions and decreased demand), we have sought material amounts of financing in recent years and we may be required to again seek additional short-term liquidity or long-term financing, which may include the issuance of additional unsecured or secured loans and debt securities, equity securities, equity-linked securities, or other sources of finance. There can be no assurance as to the availability of any such financing will be available on acceptable terms or at all.

Changes in certain laws could lead to the redemption of the New Notes by the New Notes Issuer.

Under the New Indenture, the New Notes are redeemable at the Issuer's option, in whole (but not in part) at any time at 100% of their principal amount, together with accrued and unpaid interest to, but excluding, the date fixed for redemption if, as a result of changes in the laws or regulations affecting tax laws in the United States or Brazil or any authority therein or thereof or any other jurisdiction in which the New Notes Issuer and the Guarantors are organized, doing business or otherwise subject to the power to tax, the Issuer and the Guarantors become obligated to pay additional amounts on the New Notes. See "Description of New Notes—Optional Redemption—Optional Redemption upon a Tax Event."

The New Notes may not be a suitable investment for all investors.

Each potential investor in the New Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the New Notes, the merits and risks of investing in the New Notes and the information contained in, or incorporated by reference into, this Offering Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the New Notes and the impact the New Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the New Notes;
- understand thoroughly the terms of the New Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Issuer may choose to redeem the New Notes when prevailing interest rates are relatively low.

The Issuer may choose to redeem the New Notes from time to time, especially when prevailing interest rates are lower than the rate borne by the New Notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the New Notes being redeemed.

We may be unable to repay or repurchase the New Notes at maturity.

At each maturity date of each of the New Notes, the entire outstanding principal amount of each of the New Notes, together with accrued and unpaid interest, will become due and payable. We may not have the funds to fulfill these obligations or the ability to refinance these obligations. If the maturity date occurs at a time when other arrangements prohibit us from repaying the New Notes, we could try to obtain waivers of such prohibitions from the

lenders and holders under those arrangements, or we could attempt to refinance the borrowings that contain the restrictions. In these circumstances, if we cannot obtain such waivers or refinance these borrowings, we would be unable to repay the New Notes at maturity.

A portion of Azul's indebtedness bears interest at variable rates. If market interest rates increase, it could adversely affect Azul's cash flow, compliance with debt covenants or the amount of cash interest payments.

As of March 31, 2023, and December 31, 2022, Azul had total current and non-current loans and financing of R$8,644.7 million and R$8,636.4 million, respectively (or US$1,701.6 million and US$1,699.9 million, respectively, based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00), of which 13.6% and 15.8%, respectively, bears interest at variable rates. In addition, as of March 31, 2023, and December 31, 2022, Azul had R$14,500.1 million and R$14,582.8 million, respectively (or US$2,854.1 million and US$2,870.4 million, respectively, based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00) in current and non-current leases, of which 7.8% and 8.25%, respectively, had rental payments linked to variable rates.

If market interest rates increase, as has recently been experienced from the first quarter of 2022 onwards, variable-rate indebtedness will create higher debt service requirements, which could adversely affect Azul's cash flow and compliance with Azul's debt covenants or its obligations under its existing indebtedness and the New Notes. While Azul may, from time to time, enter into agreements limiting its exposure to higher market interest rates, these agreements may not offer complete protection from this risk.

Further regulation might impair the New Notes Issuer's and the Guarantors' access to U.S. dollars for repayment of the New Notes.

While the New Notes Issuer and the Guarantors are permitted, as of the date of this Offering Memorandum, to purchase U.S. dollars to make payments of interest and principal on the New Notes, there is no assurance that they will have guaranteed access in the future to the Brazilian foreign exchange system for payment of interest and principal on the New Notes in U.S. dollars. Future Central Bank regulations or legislative changes to the current foreign exchange control regime in Brazil could restrict or prevent the New Notes Issuer and the Guarantors from purchasing U.S. dollars for purposes of paying interest or making payments other under the New Notes.

Holders of New Notes may find it difficult to enforce civil liabilities against the New Notes Issuer and the Guarantors, and their directors, officers and controlling persons.

The Guarantors are incorporated under the laws of Brazil and the Cayman Islands. Substantially all of Guarantors' directors and officers and certain of the experts named herein are non-U.S. residents, and all or a significant portion of the assets of those persons may be, and the most significant portion of our assets are, located outside the United States. As a result, it may not be possible for holders of the Existing Notes or the New Notes to effect service of process within the United States upon those persons or to enforce against them or against us in U.S. courts judgments predicated upon civil liability provisions of the U.S. federal or state securities laws. See "Enforceability of Civil Liabilities."

In addition, our creditors may hold negotiable instruments or other instruments governed by local law that grant rights to attach Guarantors' assets at the inception of judicial proceedings in the relevant jurisdiction, which attachment is likely to result in priorities benefitting those creditors when compared to the rights of holders of the New Notes.

Brazilian foreign exchange policy may affect the ability of the Guarantors (except the IP Parties) to remit payments outside Brazil in respect of the New Notes Guarantees.

Under current Brazilian regulations, Brazilian companies are not required to obtain authorization from the Central Bank in order to make payments under guarantee in favor of foreign persons, such as the holders of the New Notes. We cannot assure you that these regulations will continue to be in force at the time the Guarantors (except the IP Parties) are required to perform its payment obligations under the New Notes Guarantees. If these regulations or their interpretation are modified and an authorization from the Central Bank is required, the Guarantors (except the IP Parties) would need to seek an authorization from the Central Bank to transfer the amounts under the New

Notes Guarantees out of Brazil or, alternatively, make such payments with funds held by the Guarantors (except the IP Parties) outside Brazil. We cannot assure you that such an authorization will be obtained or that such funds will be available. If such authorization is not obtained, the Guarantors (except the IP Parties) may be unable to make payments to holders of the New Notes in U.S. dollars. If we are unable to obtain the required approvals as needed for the payment of amounts owed by the Guarantors (except the IP Parties) through remittances from Brazil, we may have to seek other lawful mechanisms to effect payment of amounts due under the New Notes. However, we cannot assure you that other remittance mechanisms will be available in the future, and even if they are available in the future, we cannot assure you that payment on the New Notes would be possible through such mechanism.

Judgments of Brazilian courts enforcing obligations of the Guarantors (except the IP Parties) under the New Notes Guarantees are payable only in Brazilian reais.

If proceedings were brought in the courts of Brazil seeking to enforce obligations of the Guarantors (except the IP Parties) under the New Notes Guarantees, the Guarantors (except the IP Parties) would not be required to discharge their obligations in a currency other than Brazilian *reais*. Any judgment obtained against the Guarantors (except the IP Parties) in Brazilian courts in respect of any payment obligations under the New Notes will be expressed in Brazilian *reais* equivalent to the U.S. dollar amount of the payment at the exchange rate as published by the Central Bank on (i) the date of actual payment, (ii) the date on which the judgment is rendered, or (iii) the actual due date of the obligations. There can be no assurance that the rate of exchange will afford you full compensation of the amount invested in the New Notes plus accrued interest.

The New Notes Guarantees may not be enforceable if deemed fraudulent and declared void.

The New Notes Guarantees may not be enforceable under Brazilian law in certain events of insolvency. While Brazilian law does not prohibit the granting of guarantees, in the event that the Guarantors were to become insolvent or subject to a reorganization proceeding (*recuperação judicial or extrajudicial*) or to bankruptcy, the New Notes Guarantees, if granted up to two years before the declaration of bankruptcy, may be deemed to have been fraudulent and declared void, based upon such Guarantors being deemed not to have received fair consideration in exchange for its New Notes Guarantees.

The measures of insolvency for purposes of this fraudulent transfer in the relevant jurisdictions of any future guarantors may differ in a less favorable manner from those measures applicable under U.S. law, and there can be no assurance as to how the insolvency laws of the various jurisdictions in which we operate will be applied in relation to one another. If the New Notes Issuer cannot satisfy its obligations under the New Notes and any New Notes Guarantee is found to be a fraudulent transfer or conveyance, we cannot assure you that you will ever be paid in full any amounts outstanding under the New Notes. In addition, the liability of the Guarantors will be limited to the amount that will result in their New Notes Guarantee not constituting a fraudulent conveyance or improper corporate distribution, and there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of the Guarantors. Should any of the foregoing events occur, we cannot assure you that the Guarantors would have sufficient assets to pay amounts due under the New Notes Guarantees.

Because the New Notes will be held in book-entry form, holders of the New Notes must rely on DTC's procedures to exercise their rights and remedies.

The New Notes Issuer will issue the New Notes in the form of one or more "global notes" registered in the name of Cede & Co., as nominee of DTC. Beneficial interests in global notes will be shown on, and transfers of global notes will be effected only through, the records maintained by DTC. Except in limited circumstances, the New Notes Issuer will not issue certificated notes. See "Book-Entry, Delivery and Form." Accordingly, if you own a beneficial interest in a global note, then you will not be considered an owner or holder of the New Notes. Instead, DTC or its nominee will be the sole holder of the New Notes. Payments of principal, interest and other amounts on global notes will be made to a paying agent, who will remit the payments to DTC. We expect that DTC will then credit those payments to the DTC participant accounts that hold book-entry interests in the global notes and that those participants will credit the payments to indirect DTC participants. Unlike persons who have certificated notes registered in their names, owners of beneficial interests in global notes will not have the direct right to act on our solicitations for consents or requests for waivers or other actions from holders of the New Notes. Instead, those beneficial owners will be permitted to act only to the extent that they have received appropriate proxies to do so from DTC or, if applicable, a DTC participant. The applicable procedures for the granting of these proxies may not

be sufficient to enable owners of beneficial interests in global notes to vote on any requested actions on a timely basis.

The interests of our principal shareholder may differ from those of the holders of the New Notes.

Our principal shareholder has significant power over our business through his influence as the founder of Azul and through his power to elect a number of the members of our board of directors. In addition, several members of our board of directors are shareholders of entities that are party to a shareholders' agreement with our principal shareholder. There may be circumstances in which the interest of our principal shareholder might differ from the holders of the New Notes and could result in a conflict of interest.

The IP Parties will be subject to Cayman Islands economic substance regulations.

The Cayman Islands has enacted the International Tax Co-operation (Economic Substance) Act (as revised) (the "ES Act"). Under the ES Act, a "relevant entity" conducting a "relevant activity" is required to comply with certain economic substance ("ES") requirements. Legal entities domiciled or registered in the Cayman Islands, such as the IP Parties, are generally considered to be "relevant entities". An entity will be conducting the "relevant activity" of "intellectual property business" if it is engaged in "the business of holding, exploiting or receiving income from intellectual property assets". As Cayman Islands companies, the IP Parties shall have ES compliance obligations, which will include the obligation to file annual notifications, which need to state whether the IP Parties are carrying out any relevant activities. Failure to comply with these obligations may lead the relevant authorities to apply fines, penalties and other sanctions, which may have a material adverse effect on our results of operations and financial condition. For more information, see "Cayman Islands Governance—Cayman Islands Government Regulation—Economic Substance."

Risks Relating to the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business

The success of the TudoAzul Program may be harmed if the TudoAzul Program loses business partners or if these business partners change their policies in relation to the granting of benefits to their clients or take other decisions or actions that are beyond our control.

The TudoAzul Program, and the value of certain of the Shared Collateral (particularly the Assigned TudoAzul Receivables (as defined in "Description of New Notes")), may be harmed if the TudoAzul Program loses business partners. The TudoAzul Program relies on its main business partners for a significant portion of its gross billings. The current business partners of the TudoAzul Program include (i) financial institutions, including Caixa, Itaú, Livelo (Banco do Brasil's and Bradesco's loyalty joint venture) and Santander, (ii) retailers, including Casas Bahia, Magazine Luiza and Fast Shop, and (iii) travel partners, including Accor, RentCars, Hertz, and Booking.com. A decrease in points sold to any one of the significant partners of the TudoAzul Program for any reason, including a temporary or permanent downturn in their business or financial condition, a decrease in their activity or their development of new loyalty strategies for their respective clients, could adversely affect the TudoAzul Program and therefore our business, results of operations and financial condition. In addition, a decision by any one of these partners to not participate in the TudoAzul Program could have a negative effect on our business, results of operations and financial condition.

Most agreements with the business partners of the TudoAzul Program are relatively short-term agreements which may be terminated or renewed under different terms when they expire or are renewed prior to expiry. In addition, some of these agreements may be terminated prior to expiration in the case of certain breaches by a party to the agreement. Any such termination or inability to renew agreements with business partners of the TudoAzul Program could have a material adverse effect on the business and results of the TudoAzul Program.

The success of the TudoAzul Program also depends in part on the decisions or actions of our partners that are beyond our control. Many of the business partners of the TudoAzul Program may freely change their policies for accumulating, transferring and redeeming points, as well as develop their own platforms for clients to exchange points for rewards, including airline tickets issued by other airlines, and as a result reduce the gross billings of the TudoAzul Program and demand for points. Changes in these policies may (i) make the TudoAzul Program less attractive or efficient for the clients of its business partners, and (ii) increase competition in the loyalty sector, which in turn may reduce and the demand for points, increase downward pressure on the average price of points and harm

the business of the TudoAzul Program. If the loyalty program sector does not grow enough to absorb new participants or if the TudoAzul Program does not adequately react to the market or to the policies of our partners, the business of the TudoAzul Program may be adversely affected.

In addition, financial institution business partners of the TudoAzul Program may change the terms and conditions of the credit card accounts of their customers, including finance charges and other fees and required minimum monthly payments, in order to maintain their competitive position in the credit card industry or to comply with, among other things, regulatory guidelines, relevant law or prudent business practices. Changes in the terms of such credit card accounts may reduce the number of new accounts, the volume of credit card spend or negatively impact account retention, which in turn may reduce the number of points accrued and sold or impact the TudoAzul Program, any of which could adversely affect the revenue generated by such partnerships.

No assurance can be given that the TudoAzul Program's business partners will not take actions that adversely affect the success of the TudoAzul Program.

The TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business face significant competition.

The TudoAzul Program faces significant competition from the loyalty programs of other large commercial airlines and loyalty or frequent traveler programs offered by other airlines and credit card companies. Potential members have many frequent flyer program alternatives and choose among alternatives based upon factors such as accrual and redemption rate, airline partners, co-branding partners, benefits and reputation. Other loyalty programs, as well as travel-centric proprietary credit cards may increase the rates at which card members can earn points or enhance the redemption rate for points, such that customers may perceive other loyalty programs or travel-centric credit cards as providing better value than the TudoAzul Program and TudoAzul Program branded credit cards.

The Azul Viagens Business sells travel packages through travel agencies (its largest sales channel), call centers, Azul Viagens brick-and-mortar stores, and its website. Revenue within the Azul Viagens Business comes primarily from tour and vacation packages as well as several independent products, such as hotels, cars, and travel insurance. The Azul Viagens Business faces significant competition, including from travel agencies, tour operators, online travel agencies and marketplaces and business-to-business (B2B) travel agencies. The success of the Azul Viagens Business depends on the attractiveness of the business model of the intermediation of tourism services provided to its customers. The performance and growth prospects of the Azul Viagens Business could be adversely affected if it fails to anticipate and react to changes in market trends and customer preferences. The Azul Viagens Business is also subject to risks of disintermediation in the tourism sector, which is the risk that customers purchase the travel packages offered by the Azul Viagens Business directly from its suppliers, such as hotel chains, car hire companies, cruise operators and insurance providers.

The Azul Cargo Business is our logistics solution business. The Azul Cargo Business generates revenue primarily from the air transportation of cargo through dedicated freighter aircraft and through the use of cargo hold space on passenger aircraft. As of December 31, 2022, the Azul Cargo Business served more than 4,500 cities and communities across Brazil, more than 2,000 of which can receive deliveries in 48 hours or less, and around 300 cargo stores across Brazil offer our cargo transportation services. We transport cargo by air and engage independent third parties to transport and deliver cargo to its final destination by ground transportation. The performance and growth prospects the Azul Cargo Business depends in part on the cargo capacity of our fleet, including our fleet transformation to next-generation aircraft with increased cargo capacity, as well as our competitive position in the market. The extent of e-commerce growth in Brazil will also influence the growth of the Azul Cargo Business.

In addition, any consolidation of airlines in Brazil and Latin America could adversely impact the financial and operational success of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. The extent of this competition could reduce the ability of the TudoAzul Program to enroll new members, retain existing members and grow accrual rates and enrollment, and to maintain and expand the Azul Viagens Business and the Azul Cargo Business, any of which could have a material adverse effect on the value of the Collateral.

Azul relies heavily on technology and automated systems to operate the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business and any failure of these technologies or systems or failure by their operators could harm the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business.

Azul is highly dependent on its technology and automated systems to operate the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. The performance and reliability of Azul's technology is critical to Azul's ability to operate the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business and compete effectively. The execution of Azul's strategic plans, particularly as they relate to the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business, could be negatively affected by (i) Azul's ability to timely and effectively implement, transition, and maintain related IT systems and infrastructure; (ii) Azul's ability to effectively balance its investment of incremental operating expenses and capital expenditures related to Azul's strategies against the need to effectively control cost; and (iii) Azul's dependence on third parties with respect to Azul's ability to implement its strategic plans, particularly with respect to the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. We cannot assure you that Azul's security measures, change control procedures, and disaster recovery plans will be adequate to prevent disruptions or delays. Disruption in or changes to these systems could result in an interruption to the TudoAzul Program, loss of or damage to important data, including TudoAzul Customer Data (as defined under "Description of New Notes—Certain Definitions"), or an interruption to the regular operations of the Azul Viagens Business or the Azul Cargo Business. Any of the foregoing could result in a material adverse effect on the value of the Collateral.

In addition, Azul's technology and automated systems cannot be completely protected against events that are beyond Azul's control, including natural disasters, cyberattacks, disruption of electrical grid or telecommunications failures. Substantial or sustained system failures could cause service delays or failures and result in Azul's customers purchasing tickets from other airlines, which would adversely affect the performance of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. Azul has implemented security measures and change control procedures and has disaster recovery plans; however, we cannot assure you that these measures are adequate to prevent disruptions or to prevent or mitigate all attacks. Disruption in, changes to or a breach of, these systems could result in a disruption to our business and the loss of or damage to important data, including TudoAzul Customer Data. Moreover, in the event of system outages or interruptions, Azul may not be able to recover from its IT and software providers all or any portion of the costs or business losses Azul may incur. Any of the foregoing could result in a material adverse effect on the resources available to the New Notes Issuer and the Guarantors to satisfy their obligations under the New Notes.

The success of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business depends on the success of Azul.

The TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business, and therefore the value of the Collateral, depend on Azul's continued success as a commercial airline and Azul's continued performance under certain TudoAzul Agreements and other commercial relationships. The success or failure of Azul's business will have a direct impact on the success and the value of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. All of the risk factors of Azul that may have a material adverse impact on Azul will also apply to the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. See "—Risk Factors Relating to the Business of Azul and Azul's Indebtedness."

Business decisions made by Azul, including with respect to ticket prices, routes, the location of hubs, safety procedures, any initiatives to retain customers and otherwise, could have an adverse impact on Azul's appeal to air travelers, which could negatively affect participation in the TudoAzul Program, the performance of the Azul Viagens Business, the performance of the Azul Cargo Business, damage Azul's reputation, harm Azul's relationships with the business partners of the TudoAzul Program, the Azul Viagens Business or the Azul Cargo Business or affect the value of the Collateral. For example, decisions by Azul with respect to mergers, divestitures, other corporate events or restructuring or insolvency processes or proceedings may provide for termination rights of third parties under the TudoAzul Agreements or the Azul Viagens Agreement, each of which could have a material adverse effect on the financial and operational success, as well as the value of the Collateral.

In addition, the terms of the Management Agreement grant Azul Linhas a substantial degree of control over the management of the Contributed Intellectual Property. See "Description of Certain Material Transaction Agreements—Management Agreement." Azul Linhas will be appointed to act as the Manager (as defined in

"Description of Certain Material Transaction Agreements—Management Agreement") of the Contributed Intellectual Property and as such will be responsible for maintaining and protecting the Contributed Intellectual Property in accordance with a standard of care. See "Description of Certain Material Transaction Agreements." Decisions of the Manager could result in a material adverse impact on the business and financial condition of Azul and the value of the Collateral. In addition, in the event that Azul Linhas breaches the Sublicense (as defined under "Description of New Notes—Certain Definitions"), the U.S. Collateral Agent's third-party beneficiary rights to enforce on such agreement will be limited to certain provisions, absent the occurrence of an event of default on the New Notes (and in some cases, subject to extended grace periods). As a result of these limitations, the U.S. Collateral Agent's ability to require Azul Linhas to honor its obligations under this agreement will be limited.

Azul has entered into TudoAzul Agreements in connection with the operation of the TudoAzul Program. The termination of any of the TudoAzul Agreements for any reason may have a material adverse effect on the value of the Collateral.

The TudoAzul Program derives a substantial portion of its revenue from a limited number of co-branding or partner agreements. Such agreements may provide for circumstances (some of which may be beyond Azul's control) upon which they may be terminated prior to the expiration of their terms by one or both parties, or immediately and automatically with no further action from Azul or the applicable counterparty at any time. Also, in the event that Azul becomes the subject of bankruptcy proceedings, such proceedings may give rise to the termination of the TudoAzul Agreements, either automatically or resulting from our failure to redeem points or perform other material obligations in accordance with the terms of such TudoAzul Agreements. A termination of any of the TudoAzul Agreements for any reason, including our failure to renew any such agreement prior to the expiration of its term, may have a material adverse effect on our financial condition, operating revenues and/or net income, unless Azul is able to enter into satisfactory substitute arrangements on similarly favorable terms.

Furthermore, if any of the TudoAzul Program's partners files for bankruptcy protection, becomes insolvent or otherwise fails to meet its payment obligations to Azul, Azul could be prevented from collecting on the terms of the applicable material agreement. Bankruptcies of the TudoAzul Program's partners could also lead to fewer opportunities to redeem points, which may have the result of reducing the attractiveness of the TudoAzul Program. If additional partners file for bankruptcy, become insolvent, or otherwise fail to meet their payment obligations, the result may be a material adverse effect on the value of the Collateral.

The terms of the TudoAzul Agreements and the Azul Viagens Agreements are highly sensitive and your ability to review such agreements is limited.

The success of the TudoAzul Program depends on Azul's ability to maintain protection over the terms of the TudoAzul Agreements, each of which is a highly negotiated agreement with sensitive information that, if publicly disclosed, would be beneficial for the competitors of Azul and its partners to learn and harmful to Azul and its partners' commercial interests. Similar considerations also apply to the Azul Viagens Agreements, and may apply to any future Azul Viagens Agreements. Azul is limited in its ability to disclose the terms of these agreements, including terms that may affect its expected cash flows or the value of the Collateral, and has taken precautions to protect the disclosure of the sensitive information in such agreements, including in this Offering Memorandum. If the terms of these agreements were to be disclosed, the TudoAzul Program's ability to compete could be hindered and Azul's relationships with its partners could be damaged, both of which could have a material adverse effect on the value of the Collateral. Furthermore, Azul's relationships with its partners could also be damaged, and they may take legal action against Azul or its subsidiaries, if they believe that any of them has disclosed any terms of these agreements without their prior consent.

The terms of these agreements are confidential and neither the holders of the New Notes nor the Trustee or Collateral Agents will have the right to review these agreements, even after an event of default under the New Notes Indenture. As a result of the limitations in our ability to disclose the terms of these agreements and other actions that Azul and its partners have taken to protect the sensitive information in such agreements, holders of the New Notes will not be able to get access to the information about the terms of these agreements that they may need to fully evaluate the value of the Collateral and the risks associated with the Collateral or enforce the payment rights with respect to the agreements following an event of default. Holders of New Notes issued in the Exchange Offers must take this lack of access to such agreements into account in making an investment decision with respect to the New Notes and their evaluation of the Collateral.

A material reduction in the rate of interchange reimbursement fees could have an adverse effect on the volumes of receivables that are pledged as Collateral and consequently the value of the Collateral.

The TudoAzul Program and the loyalty programs operated by the TudoAzul partners and the payment card transactions conducted in connection with such programs are significantly impacted by the rate of interchange reimbursement fees, for which default rates have historically been set by card processing networks. Interchange reimbursement fees continue to be subject to increased government regulation globally, and regulatory authorities and central banks in a number of jurisdictions have reviewed or are reviewing these fees and related practices, and may enact regulations that exert downward pressure on such fees. A material decrease in the rate of credit interchange reimbursement fees, either voluntarily by card processing networks or mandated by authorities, would adversely affect the TudoAzul Program as well as the loyalty programs operated by the TudoAzul partners, and would have an adverse effect on the volume of the receivables that are pledged as Collateral and consequently the value of the Collateral. Neither the New Notes Issuer nor Azul can assure you that there will not be a material decrease in credit interchange reimbursement fees, including due to new laws or regulatory action by the government.

Azul's processing, storage, use and disclosure of personal data, including TudoAzul Customer Data, could give rise to liabilities as a result of governmental regulation or other obligations relating to privacy, data protection, and cybersecurity.

In the processing of Azul's customer transactions in connection with the TudoAzul Program, Azul receives, processes, transmits and stores a large volume of identifiable personal data, including TudoAzul Customer Data. This data is increasingly subject to legislation and regulation, as described under "—Risks Relating to the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business—The value of the TudoAzul Customer Data may be materially affected by changes to data privacy and protection laws and consumer privacy preferences," typically intended to protect the privacy of personal data that is collected, processed and transmitted. More generally, Azul relies on consumer confidence in the security of Azul's systems and in operating the TudoAzul Program. The ability of the New Notes Issuer to satisfy its obligations under the New Notes could be adversely affected if Azul is unable to comply with existing privacy obligations or legislation or regulations are expanded to require changes in Azul's business practices. Such obligations, legislation or regulations could also give consumers greater control over the use, transfer, sale or other processing of their personal data and the right to request access to, or deletion of, their data, which may reduce the value of the TudoAzul Customer Data or impose costly compliance obligations on Azul.

The value of the TudoAzul Customer Data may be materially affected by changes to data privacy and protection laws and consumer privacy preferences.

Our ability to transfer, use, disseminate, sell or otherwise process the personal data included in the TudoAzul Customer Data is subject to jurisdiction-specific laws. Data privacy and protection laws are developing around the globe. These laws and changes in applicable laws relating to privacy and data protection or their interpretation or enforcement could limit our ability to transfer, use, disseminate, sell or otherwise process the personal data included in the TudoAzul Customer Data or further limit your ability to acquire, transfer, use, disseminate, sell or otherwise process such personal data upon any enforcement of such Collateral. In addition, such laws could give consumers greater control over the use, transfer, sale or other processing of their personal data and the right to request access to, or deletion of, their data, which may further reduce the value of the Collateral or impose costly compliance obligations on us.

The ability of holders of the New Notes to acquire, transfer, use, disseminate or sell the member lists and personal data included in the TudoAzul Customer Data is restricted.

The Shared Collateral includes a pledge over the shares of IntelAzul, which is our subsidiary that owns the TudoAzul Customer Data. The TudoAzul Customer Data includes member lists and certain related personal data. The ability of holders of the New Notes to acquire, use, transfer, disseminate, sell or otherwise process any member lists and personal data included in the TudoAzul Customer Data upon any enforcement of the pledge of the shares of IntelAzul may be restricted by applicable laws, regulations, restrictions and other obligations imposed by regulatory authorities and contractual arrangements that we enter into. For example, the current privacy policy governing the use of the TudoAzul Customer Data may not permit the transfer of the ownership of the TudoAzul Customer Data.

These laws, restrictions or other obligations may also require additional investment or expenditures by the Collateral Agents or the holders of the New Notes following a foreclosure to comply with privacy, data protection and information security requirements to protect the TudoAzul Customer Data, and failure to do so may subject the Collateral Agents or the holders of the New Notes following a foreclosure to claims, proceedings and other liability. Laws and other obligations are rapidly developing around the globe, which increases the challenge of anticipating these restrictions and the manner in which they may be interpreted and enforced.

Covenant restrictions on the TudoAzul Program and the Azul Viagens Business in the New Notes Indenture will limit our flexibility to operate and grow our business and impose restrictions on Azul's operations, and if we are not able to comply with such covenants, our creditors could accelerate our indebtedness, proceed against the Collateral or exercise other remedies, which could have a material adverse effect on the resources available to the New Notes Issuer and the Guarantors to satisfy their obligations under the New Notes.

The covenants in the New Notes Indenture will contain a number of provisions that impose restrictions on the TudoAzul Program and the Azul Viagens Business, which, subject to certain exceptions, limit our ability to, among other things, amend the policies and procedures of the TudoAzul Program or the Azul Viagens Business in a manner that would be reasonably expected to have a material adverse effect, compete with the TudoAzul Program or the Azul Viagens Business by establishing another Loyalty Program or Travel Package Business (as defined herein), as applicable (subject to certain exceptions). In addition, the covenants in the New Notes Indenture will limit our ability to establish another travel package business. The New Notes Indenture will contain additional restrictions on our ability to terminate or modify the IP Licenses. Such covenants are in addition to the other restrictions in the New Notes Indenture, as described elsewhere in this Offering Memorandum.

Although these covenants are intended to protect the interest of holders of the New Notes, complying with these covenants and other restrictive covenants that may be contained in any future debt agreements will limit our ability to operate our business and may limit our ability to take advantage of business opportunities that are in our long-term interest. We may also take actions, or omit to take actions, to comply with such covenants that could materially adversely affect the resources available to the New Notes Issuer and the Guarantors to satisfy their obligations under the New Notes. The failure of the New Notes Issuer and the Guarantors to comply with any of these covenants or restrictions could result in a default under the New Notes Indenture or any future debt instrument, which could lead to an acceleration of the debt under such instruments and, in some cases, the acceleration of our debt under other instruments that contain cross-default or cross-acceleration provisions, each of which could have a material adverse effect on us. In the case of an event of default, or in the event of a cross-default or cross-acceleration, we may not have sufficient funds available to make the required payments under our debt instruments, including the New Notes Indenture. If the New Notes Issuer and the Guarantors are unable to repay amounts owed under the terms of the New Notes Indenture, and if the New Notes Issuer or the Guarantors are unable to fulfill their obligations under the New Notes Guarantees, Holders of New Notes thereunder may choose to exercise their remedies in respect of the Collateral, including a foreclosure of their lien which results in a sale of certain of the assets of the New Notes Issuer and the Guarantors to satisfy its obligations under the New Notes Indenture.

Risks Relating to the Collateral

A significant portion of the Collateral relates to the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. For a description of certain risks related to the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business, see "—Risks Relating to the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business" above.

Any damage to Azul's reputation or brand image could adversely affect our business and financial condition or the value of the Collateral.

Maintaining a good reputation in the markets served by Azul is critical to Azul's business. Azul's reputation or brand image, including the brand-related value of the Contributed Intellectual Property and the Azul Cargo Intellectual Property, could be adversely impacted by, among other things, any failure to maintain high ethical, social and environmental sustainability practices for all of its operations and activities, its impact on the environment, public pressure from investors or policy groups to change its policies, customer perceptions of its advertising campaigns, sponsorship arrangements or marketing programs, customer perceptions of its use of social media, or customer perceptions of statements made by them, their employees and executives, agents or other third

parties. In addition, adverse publicity, whether or not justified, relating to activities by Azul crewmembers, contractors, or agents could tarnish Azul's reputation and reduce the value of the Azul brand. Damage to Azul's reputation or brand image, use of its brand in a manner that is detrimental to its value to our business or the goodwill associated therewith, or loss of customer confidence in our services could adversely affect our business and financial results or the value of the Collateral, as well as require additional resources to rebuild Azul's reputation. In addition, if Azul ceases to use and invest in the applicable brands, or use the brands in a manner that is detrimental to its value to our business or the goodwill associated therewith, the value of your commercialization or monetization of such Collateral upon any enforcement of such Collateral may be impaired.

Moreover, the COVID-19 pandemic adversely impacted consumer perceptions of the health and safety of travel, and in particular airline travel, and these negative perceptions could continue even after the COVID-19 pandemic subsides. Actual or perceived risk of infection while traveling could have a material adverse effect on the public's perception of Azul, which could harm their reputation and business and adversely affect its business and financial results or the value of the Collateral. We cannot assure that any actions Azul might take in response to the COVID-19 pandemic or any similar public health situations will be sufficient to restore or maintain the confidence of consumers in the safety of air travel.

The Collateral may not be sufficient to satisfy the obligations under the New Notes.

The New Notes and the New Notes Guarantees will be secured on a "second out" basis only by the Collateral, which comprises a range of assets described under "Description of Collateral" and is subject to certain exclusions as described in "Description of New Notes—Security—Collateral" and "Description of Collateral." The New 2029 Notes and the New 2030 Notes will share ratably in the benefit of the Collateral. Moreover, the New Notes Issuer and the Guarantors will have flexibility under the New Notes Indenture to engage in asset sales, make investments and incur debt and refinance debt. See "Description of New Notes—Covenants."

The fair market value of the Collateral will be subject to fluctuations based on various factors, including market and economic conditions and the availability of buyers, as well as any legal, regulatory or contractual impediments to the free transferability of the Collateral. The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell or otherwise transfer the Collateral, the ability to sell the Collateral in an orderly sale, the condition of the markets in which operations are located and the availability of buyers. By its nature, all or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in liquidation.

In addition, the Shared Collateral includes equitable share mortgages over the shares of the IP Parties. However, the Contribution Agreements, which govern the contribution of the Contributed Intellectual Property from each Contributing Party (as defined under "Description of New Notes—Certain Definitions") to IP HoldCo and from IP HoldCo to IP Co, allow each Contributing Party to terminate its obligation to contribute later developed or acquired Contributed Intellectual Property upon the payment in full of all obligations under the New Notes or the sale or disposition of IP HoldCo or IP Co (or any equity interest therein) by the U.S. Collateral Agent to any person (other than the secured parties in respect of the New Notes) after foreclosure following an event of default under the New Notes Indenture, which sale or disposition results in IP HoldCo or IP Co ceasing to be affiliated with a Contributing Party as applicable. See "Description of Certain Material Transaction Agreements." As a result, the ability to foreclose upon the equitable share mortgages over the shares of the IP Parties and sell the equity of the IP Parties is significantly restricted without impairing the value of such Shared Collateral.

Due to the nature of the Collateral, a substantial portion of its value is tied to and dependent upon its connection to, use by and relationship with Azul and therefore, the ability to foreclose upon and sell much of the Collateral to third parties is significantly limited without material adverse effects on its value.

In addition, a security interest in the shares of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. Furthermore, certain of the Contributed Intellectual Property will be encumbered by the IP Licenses and our co-branding, partnering and similar agreements, which will continue upon any enforcement of such Shared Collateral. Any such encumbrances may be material and may have a material impact on the value of the Collateral.

The Shared Collateral includes a pledge over the shares of IntelAzul, which is our subsidiary that owns the TudoAzul Customer Data. The TudoAzul Customer Data includes member lists and certain related personal data. However, the TudoAzul Customer Data is excluded from the Shared Collateral and will not be contributed to IP Co. Due to the nature of some of the data comprising the TudoAzul Customer Data and how such data is obtained or generated, such data may not be exclusive to IntelAzul. Certain data that comprises the TudoAzul Customer Data may overlap with data, including the Azul Traveler Data (as defined under "Description of New Notes—Certain Definitions"), that Azul generates as part of its ordinary course operations of operating its airline business in the absence of a loyalty program. The Trustee and the Collateral Agents may not have the ability to acquire, use, transfer or sell such data upon any enforcement, and in the event of any foreclosure upon the fiduciary assignment in respect of the shares of IntelAzul, Azul may still have access to or be able to reproduce certain data comprising the TudoAzul Customer Data, which may make such data less valuable.

In the event of a bankruptcy of the New Notes Issuer or the Guarantors, holders of the New Notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the New Notes exceed the value, as determined by the court, of the Collateral securing the New Notes. In any bankruptcy proceeding of the New Notes Issuer or the Guarantors, the debtor in possession, any committee of unsecured creditors or other stakeholders, or other entity exercising powers of an estate fiduciary may assert that the value of the Collateral with respect to the New Notes on the date of the bankruptcy filing was less than the then-current principal amount of the New Notes. Upon a finding by the bankruptcy court that the New Notes are under-secured, the claims in the bankruptcy proceeding with respect to the New Notes would be bifurcated between a secured claim, to the extent of the value of the Collateral, and an unsecured claim to the extent of any excess. The unsecured claim with respect to the New Notes would not be entitled to the benefits of security in the Collateral and would rank equally in right of payment with all of the Obligors' existing and future senior unsubordinated obligations (except those obligations preferred by operation of law, including labor and tax claims), including trade payables. There is no guarantee that an unsecured creditor will receive a recovery in a bankruptcy proceeding.

The validity of the security interest in the assignment of the receivables arising under the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreements is subject to challenge and the value of the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreements as Shared Collateral may be limited if the receivables assigned under the agreements were subject to foreclosure.

The portion of the Shared Collateral constituting the assignment of the receivables arising under the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreements is subject to the applicable terms of the respective agreements. The TudoAzul Agreements and the Azul Viagens Agreements generally require the related partner's consent to an assignment of the receivables under the agreements. The enforcement of the relevant Shared Collateral over the assignment of the receivables arising under the Assigned TudoAzul Agreements or the Assigned Azul Viagens Agreements may be restricted by such agreements. There can be no assurances that any of our partners will consent to the granting of a fiduciary assignment (*cessão fiduciária*) in respect of the receivables under the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreements, or will not seek to challenge any such fiduciary assignment (*cessão fiduciária*) or the ability of the Brazilian Collateral Agent to enforce the assignment of receivables arising under the Assigned TudoAzul Agreements or the Assigned Azul Viagens Agreements following an event of default under the New Notes Indenture. As a result, it may be difficult to realize the value of the Shared Collateral constituting the assignment of the receivables arising under the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreement.

Segregation of the relevant credit and debit card receivables which will comprise the Designated TudoAzul Credit Card and Debit Card Receivables and the Designated Azul Cargo Credit Card and Debit Card Receivables may face operational challenges and such Designated TudoAzul Credit Card and Debit Card Receivables and Designated Azul Cargo Credit Card and Debit Card Receivables could be subject to the lien of an intervening creditors.

The Shared Collateral over the credit card and debit card receivables of the TudoAzul Program comprises only the Designated TudoAzul Credit Card and Debit Card Receivables. The Azul Cargo Collateral over the credit card and debit card receivables of the Azul Cargo Business comprises only the Designated Azul Cargo Credit Card and Debit Card Receivables. Azul Linhas has other credit card and debit card receivables in connection with its business. In order to segregate the Designated TudoAzul Credit Card and Debit Card Receivables and the Designated Azul Cargo Credit Card and Debit Card Receivables from the other credit card and debit card receivables of Azul Linhas,

Azul Linhas has allocated the Designated TudoAzul Credit Card and Debit Card Receivables and the Designated Azul Cargo Credit Card and Debit Card Receivables to designated "branches" for operational purposes, which are the same entity as Azul Linhas but bear separate tax identification numbers to enable the separate identification of payments in respect of the TudoAzul Program and the Azul Cargo Business.

If the Designated TudoAzul Credit Card and Debit Card Receivables or the Designated Azul Cargo Credit Card and Debit Card Receivables are for any reason processed outside the relevant designated "branch" established for operational purposes, any such receivables will not be captured by the fiduciary assignment (*cessão fiduciária*). As a result, the value of the relevant Collateral may decrease, and such receivables processed outside the designated "branch" for operational purposes may become subject to any liens created by other creditors of the Parent Guarantor and its Subsidiaries.

The equitable share mortgages over the shares of the IP Parties have certain disadvantages under Cayman law.

The equitable share mortgages over the shares of the IP Parties granted as Shared Collateral are governed by the laws of the Cayman Islands and comprise an equitable not a legal mortgage. An equitable share mortgage has certain disadvantages compared with a legal mortgage, including the fact that an earlier security will have priority and a subsequent third-party purchaser for value or legal mortgagee of the shares mortgaged, who does not have notice of the equitable share mortgage, will not be subject to it. The remedy of foreclosure (meaning the assumption by the mortgagee of beneficial ownership of the mortgaged property and the extinction of the mortgagor's equity of redemption therein) against the shares mortgaged pursuant to equitable share mortgages over the shares of the IP Parties is only available on application to the courts of the Cayman Islands, or a judgment in respect of foreclosure proceedings against the relevant entity in the courts of another jurisdiction which the courts of the Cayman Islands are prepared to enforce in accordance with the usual principles applicable to the enforcement of foreign judgments in the Cayman Islands. The court is also entitled to order a sale in lieu of foreclosure.

The Collateral can be shared with other creditors and it may be difficult to realize the value of the Collateral.

The Collateral will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the New Notes Indenture and accepted by other creditors that have the benefit of first-priority security interests in the Collateral securing them from time to time, whether on or after the date the New Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Collateral Agents to realize or foreclose on such Collateral. Furthermore, the ranking and priority of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection or priority requirements, statutory liens, characterization under the laws of certain jurisdictions or decisions of courts and tribunals.

The security interest of the Collateral Agents will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Collateral Agents may need to obtain the consent of a third party to obtain or enforce a security interest in a contract and may need to obtain the consent of a regulatory authority to obtain or enforce a security interest in any shares or other equity interests. We cannot assure you that the Collateral Agents will be able to obtain any such consent or regulatory approval when required to facilitate a foreclosure on such assets.

In addition, even following an event of default under the New Notes Indenture, the Collateral Agents' ability to foreclose on the Collateral will be limited, in the case of the assignment of receivables under the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreement, to the terms of such agreements, which have not been disclosed in this Offering Memorandum. Accordingly, the Collateral Agents may not have the ability to foreclose upon those assets and the value of the Collateral may significantly decrease. Furthermore, the Azul Brand IP will be subject to extended grace periods following an event of default before the Collateral Agents shall have the right to foreclose on that portion of the Collateral.

In addition, the Collateral will be subject to liens permitted under the terms of the New Notes Indenture, whether existing on or arising after the date the New Notes are issued. The existence of any Permitted Collateral Liens and/or Permitted Azul Cargo Financing Liens could materially and adversely affect the value of the Collateral, as well as the ability of the Collateral Agents to realize or foreclose on such Collateral. Furthermore, not all of the assets of the New Notes Issuer and the Guarantors secure the New Notes. Our ability to incur additional debt and

liens on such additional debt in favor of third parties is subject to certain limitations. See "Description of New Notes—Security." Some of these excluded assets may be material to the New Notes Issuer and the Guarantors and such exclusion could have a material adverse effect on the value of the Collateral. See "—Certain of our assets are excluded from the Collateral." In addition, certain of the Contributed Intellectual Property is encumbered by the IP Licenses and our co-branding, partnering and similar agreements, which will continue upon any enforcement of such Collateral.

The Initial Appraisals are not, and should not be, relied upon as a measure of the value of the Collateral securing the New Notes and the other Secured Obligations or as a measure of the current value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business.

The Initial Appraisals attached to this Offering Memorandum as Annex A, Annex B, Annex C, and Annex D hereto are not intended to measure the value of the Collateral securing the New Notes and the other Secured Obligations. Instead, the Initial Appraisals are valuations of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business as of February 23, 2023, February 17, 2023, March 7, 2023, and February 23, 2023, respectively. The Collateral that will secure the New Notes and other Secured Obligations may be materially less than the assets included within the businesses of the TudoAzul Program and the Azul Viagens Business appraised by mba Aviation. For example, while the Initial Appraisals cover the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business, the New Notes are only secured by the Collateral. See "Description of New Notes—Security" for more information regarding the Collateral.

Any future appraisals will be used to calculate the LTV Ratio. The LTV Ratio is designed to measure the value of the TudoAzul Program, the Azul Viagens Business, and the Airline Intellectual Property in comparison to the aggregate principal amount of First Priority Secured Debt outstanding on a given date. The LTV Ratio does not include the Azul Cargo Business and, for the purposes of the LTV Ratio, the value of the Airline Intellectual Property shall be calculated to exclude the value of the Azul Cargo Intellectual Property. Certain of the exceptions to the covenants contained in the New Notes Indenture that will govern the New Notes are based on whether or not the LTV Ratio test is satisfied on a pro forma basis after taking a specified action (such as the incurrence of Permitted First Priority Secured Debt).

The New Notes Issuer will be required by the terms of the New Notes Indenture governing the New Notes to provide annual appraisals of the TudoAzul Program, Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business. Such appraisals are required to be prepared using a methodology and form of presentation consistent in all material respects with the methodology and form of presentation of the Initial Appraisals (or with such deviations, including as to the discount rate, terminal growth rate, discount for lack of marketability and royalty rate charge, as are consistent with market practice for businesses or assets of such type in a manner as determined by the Parent Guarantor in good faith). In addition to not being a measure of the value of the Collateral, the Initial Appraisals do not, and any future appraisals will not, reflect that (i) the Liens on the Shared Collateral securing the New Notes and the New Notes Guarantees 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 Secured Debt (including the New Notes Guarantees), on a "second out" basis after the payment of amounts due and payable in respect of the First Priority Secured Obligations in accordance with the terms of the Intercreditor Agreement, and (ii) following the Azul Cargo Collateral Sharing Trigger Date, the liens on the Azul Cargo Collateral securing the New Notes and the New Notes Guarantees will be obligations secured by the Azul Cargo Collateral on a "second out" basis pursuant to the terms of the Azul Cargo Intercreditor Agreement and will have the right to receive payments, including the proceeds of any enforcement of Azul Cargo Collateral, on a "second out" basis after the payment of amounts due and payable in respect of the Azul Cargo Priority Secured Debt in accordance with the terms of the Azul Cargo Intercreditor Agreement. Therefore, the value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business, does not reflect the amount that could be realizable for the New Notes and the amount available to the New Notes may be substantially less or zero.

An appraisal is only an estimate of value. The Initial Appraisals do not, and future appraisals will not, indicate whether, or the price at which, any or all of the Collateral may be purchased or sold in the market. In general, an appraisal represents the analysis and opinion of qualified appraisers, and one appraiser may reach a different conclusion than that of a different appraiser with respect to the same assets. Appraisals are not guarantees of present

or future value and should not be relied on as a measure of realizable value of any Collateral. The proceeds realized on a disposition of any or all of the Collateral, if such disposition is possible, may be significantly less than the appraised value of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business and may not be sufficient to satisfy in full payments due on the New Notes or the New Notes Guarantees.

We anticipate that the appraised value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business will change over time. The Initial Appraisals provide the appraised value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business as of a specific date and future appraisals will provide the appraised value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business as of a specific date, and the value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business as of any other date may differ greatly from the value specified in the Initial Appraisals or future appraisals. For more information, see the full text of the Initial Appraisals attached to this Offering Memorandum as Annex A, Annex B, Annex C and Annex D hereto.

Neither our independent auditors, Ernst & Young Auditores Independentes S/S Ltda., nor any other independent accountants, have compiled, reviewed, examined or performed any other assurance procedures, or expressed any form of assurance, with respect to the financial estimates and projections used to prepare the Initial Appraisals annexed to this Offering Memorandum. Our independent auditor has not expressed its opinions on, or made any statement about, such information and does not accept any responsibility for, or association with, such financial estimates or projections, or any responsibility for, or association with, the Initial Appraisals. The report of Ernst & Young Auditores Independentes S/S Ltda. included in the 2022 Form 20-F, which is incorporated by reference into this Offering Memorandum, relates to Azul's historical consolidated audited financial statements and does not extend to the unaudited projections used to prepare the Initial Appraisals and should not be read to do so.

The Initial Appraisals and any future appraisals are highly dependent on the assumptions used in preparing them.

mba Aviation prepared the Initial Appraisals providing an appraised value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business as of February 23, 2023, February 17, 2023, March 7, 2023 and February 23, 2023, respectively. mba Aviation's Initial Appraisals are, and any future appraisals will be, subject to a number of significant assumptions, limitations and risks, and were prepared based on certain specified methodologies described therein. The Collateral does not include the entire business nor all of the assets and revenues of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business. Therefore, the Initial Appraisals, and any future appraisals, may not accurately reflect the actual fair market or realizable value of the Collateral. Appraisals that are subject to different assumptions, limitations and risks, and/or are based on other methodologies (such as different discount rates, terminal growth rates, discounts for lack of marketability and royalty rate charges), may result in valuations that are materially different from those contained in mba Aviation's Initial Appraisals and any future appraisals.

The Initial Appraisals are subject to a number of significant assumptions, limitations and risks, and were prepared based on certain specified methodologies described therein. You should carefully consider the assumptions reflected in each of the Initial Appraisals attached to this Offering Memorandum as Annex A, Annex B, Annex C and Annex D hereto. Accordingly, the Initial Appraisals, and any future appraisals, may not accurately reflect the market value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business. An appraisal that is subject to other assumptions, limitations and risks, or is based on other methodologies, may result in valuations that are materially different from those contained in the Initial Appraisals.

In preparing the Initial Appraisals of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business, mba Aviation applied a discounted cash flow methodology whereby future benefit streams are forecasted for a discrete period of time (which was through the valuation date to December 2027 for the TudoAzul Program and the Azul Viagens Business, and from 2023 through 2027 for the Azul Cargo Business), and a perpetuity of cash flows thereafter, and then discounted back to their present value using a discount rate commensurate with the deemed market cost of capital and the risk and nature of the subject cash flows. In preparing the Initial Appraisals of the Airline Intellectual Property, mba Aviation applied the relief from royalty methodology whereby the value of Airline Intellectual Property was determined by reference to the hypothetical royalty payments that would be saved

through owning the asset, as compared with licensing such asset from a third party. The Initial Appraisals are therefore based upon a valuation of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business in the context of our operation, including as to taxation, on a going concern basis, using forecasts of the expected future financial performance of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business and based on other assumptions, including as to taxation, and are not on the basis of realization from the sale of any particular asset comprising the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business. Because the discounted cash flow method and the relief from royalty method assume that we are a going concern, appraised values determined using such methods will not be applicable in case of attempts to dispose of the Collateral in connection with the exercise of remedies by holders of the New Notes, and such value likely will be substantially less since such assets are, by their nature, illiquid and may be of limited utility to a third party. Appraisals that are based on different assumptions and methodologies than used by mba Aviation may result in valuations that are materially different than those contained in its Initial Appraisals. Moreover, there can be no assurance that the forecasts of the expected future financial performance of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business used by mba Aviation in preparing its Initial Appraisals will accurately reflect actual future financial performance.

As discussed in the Initial Appraisals, the value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business, as applicable, at any given time will depend on various factors, including:

- regulatory risks, including the impact of regulatory changes on Azul's market share and the overall market size;
- economic risks, including market and economic conditions influencing demand for passenger travel in global and regional markets;
- competitive risks, including consolidation in the airline industry, customer choices of frequent flyer programs based on factors including accrual and redemption rates, airline partners, co-branding partners, benefits and reputation, as well as the ability of the TudoAzul program to retain existing TudoAzul partners and add new TudoAzul partners;
- revenue risks relating to the ability of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business to maintain and grow its gross billings;
- reputational risks which may impact valuation if the reputation of the Azul brand is damaged;
- air partner risks, including the continued ability to partner airlines, including Azul and other partners, to redeem points collected by members of the TudoAzul Program, as well as the continuity of the long-term relationship between Azul and the TudoAzul Program and points redemption rates;
- foreign exchange risks, including that the TudoAzul Program has limited revenue in currencies other than Brazilian reais;
- cybersecurity risks, including heightened risks as a result of outsourcing third-party vendors, cloud migration, mobile technologies and remote access, and the risk of damage to and destruction of data or monetary loss as a result of a cyberattack or data breach; and
- other risks, including terrorist attacks, natural disasters, pandemic illness such as COVID-19, the H1N1 virus (swine flu), SARS or bird flu.

For the foregoing reasons, among others, the proceeds, if any, realized on a foreclosure or other exercise of remedies with respect to the Collateral may not be equal to the value assigned to the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business in the Initial Appraisals or any future appraisal and may not be sufficient to satisfy in full payments due on the New Notes or the New Notes Guarantees.

The value of the rights of holders of the New Notes to the Collateral may be reduced and the Collateral securing the New Notes may be diluted by any increase in the indebtedness secured by the Collateral.

The Shared Collateral will secure the New Notes and other Secured Obligations in accordance with the provisions of the Intercreditor Agreement. On the Closing Date, each of the New Notes and the New Notes Guarantees will also be secured by the Azul Cargo Collateral. At any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens. Prior to the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "first out" basis (as the New Notes Secured Obligations shall be the only obligations secured by the Azul Cargo Collateral prior to the Azul Cargo Collateral Sharing Trigger Date). Following the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "second out" basis in accordance with the provisions of the Azul Cargo Intercreditor Agreement, as described further under "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement." The New 2029 Notes and the New 2030 Notes will, among themselves, share ratably in the benefit of the Collateral.

The New Notes Indenture permits, if certain conditions are met, the incurrence of additional debt secured by the Collateral. As a result, (i) the Shared Collateral that will secure the New Notes will also secure other Secured Obligations, in each case to the extent permitted by the terms of the New Notes Indenture and in accordance with the Intercreditor Agreement, and (ii) the Azul Cargo Collateral will secure the New Notes and, following the Azul Cargo Collateral Sharing Trigger Date, may secure any Azul Cargo Priority Secured Debt incurred in the future. If the New Notes Issuer or the Guarantors incur any additional indebtedness that ranks equally in right of payment with the New Notes and related New Notes Guarantees, the holders of that debt will be entitled to share ratably with the holders of the New Notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up, subject to any collateral arrangements (including the Collateral and the provisions of the Intercreditor Agreement and the Azul Cargo Intercreditor Agreement). This may have the effect of reducing the amount of proceeds paid to the holders of the New Notes.

In addition, the rights of holders of the New Notes to the Collateral may be diluted by any increase in the First Priority Secured Obligations that are secured by the Collateral or a reduction of the Collateral or the value thereof. Except in certain limited circumstances, the Collateral Agents will act upon the direction of the Required First Priority Debtholders, which is defined to mean the holders of First Priority Secured Debt that hold 50.1% or more of the aggregate principal amount of all First Priority Secured Debt, determined across all Series of First Priority Secured Debt treated for this purpose as one class. Therefore, the Collateral Agents may make or act upon material decisions as directed by the Controlling Creditors (as defined under "Description of New Notes—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement") that conflict with the interests of holders of the New Notes individually or as a group.

If any Collateral securing the New Notes is released in accordance with the provisions of the Transaction Documents, the aggregate value of the Collateral that secures the New Notes will be reduced. In addition, there can be no assurance that the proceeds from the sale of the Collateral would be sufficient to satisfy the obligations owed to the holders of the New Notes as well as the other Secured Obligations.

The Collateral Agents will control all material decisions made with respect to the Collateral and several material decisions with respect to the New Notes Indenture.

The security interests in the Collateral that will secure the obligations of the New Notes Issuer under the New Notes and the obligations of the Guarantors under the New Notes Guarantees will not be granted directly to the holders of the New Notes but will be granted only in favor of the relevant Collateral Agent. The New Notes Indenture will provide that only the Collateral Agents have the right to enforce the Collateral Documents. As a consequence, holders of the New Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral, except through the Collateral Agents. Furthermore, each of the IP Parties has issued a special share to Walkers Fiduciary Limited (the "Special Shareholder"), who has granted a proxy to vote such share to the Collateral Agents. In the event of any voluntary bankruptcy or winding up filing of

or with respect to the IP Parties, the consent of the Special Shareholder will be required, but there can be no assurance of the course of conduct of the Collateral Agents (acting at the direction of the Controlling Creditors) with respect to the proxy granted by the Special Shareholder. In addition, the ability of the Collateral Agents to enforce certain of the Collateral may be restricted by local law.

There are circumstances other than repayment or discharge of the New Notes under which the Collateral will be released automatically, without your consent or the consent of the New Notes Trustee or the Collateral Agents.

Under various circumstances, the Collateral will be released automatically without the consent of holders of the New Notes, the New Notes Trustee or the Collateral Agents, including in connection with the disposition or transfer of such Collateral (other than to any Guarantor) in a transaction not prohibited under the New Notes Indenture.

The New Notes Issuer and the Guarantors will, in most cases, have control over the Collateral, and the sale of particular assets by the New Notes Issuer and the Guarantors could reduce the pool of assets securing the New Notes and the New Notes Guarantees.

The Collateral Documents will allow the New Notes Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the Collateral. In addition, the New Notes Issuer will not be required to comply with all or any portion of the Trust Indenture Act of 1939, as amended, including, without limitation, Section 314(d) thereof, which relates to the requirement to deliver certificates and opinions as to the fair value of any collateral being released pursuant to an indenture qualified under the aforementioned Act. The New Notes Issuer may, therefore, among other things, without any release or consent by the Trustee, conduct ordinary course activities with respect to Collateral permitted by the New Notes Indenture and the relevant Collateral Document, such as selling, abandoning or otherwise disposing of Collateral subject to restrictions in the New Notes Indenture and the relevant Collateral Document and making ordinary course cash payments (including repayments of indebtedness), and any proceeds from any sale of Collateral may not constitute Collateral, or may be used to acquire assets that would not constitute Collateral, under the Collateral Documents, all of which could reduce the pool of assets securing the New Notes and the New Notes Guarantees. To the extent the New Notes Issuer or any Guarantor sells any assets that constitute such Collateral, the proceeds from such sale will be subject to the liens securing the New Notes and the related New Notes Guarantees only to the extent such proceeds would otherwise constitute collateral securing the New Notes and the related New Notes Guarantees under the Collateral Documents. See "Description of New Notes—Security."

Delivery of security interests in Collateral after the first Settlement Date increases the risk that the security interests could be avoidable in bankruptcy or that the security interests could be subject to the lien of an intervening creditor.

We have agreed to secure the New Notes and the New Notes Guarantees by the Collateral on a "second out" basis and subject to Permitted Collateral Liens and the Permitted Azul Cargo Liens, and to take other steps to assist in perfecting the security interests granted in the Collateral. However, many of the actions required to perfect or secure the priority of security interests in the Collateral may require public filings, registrations, permits or other actions that may be substantially delayed or logistically limited due to any office closures or delays in the processing of any such filings, registrations, permits or other actions by the applicable registries or government authorities, which may result in a delay in perfecting security interests in the Collateral.

Such security interests will be perfected after the first Settlement Date and therefore may be treated under Title 11 of the United States Code, 11 U.S.C. Section 101, et seq., as amended from time to time and any successor statute (the "Bankruptcy Code") as if they were delivered to secure previously existing or "antecedent" debt. Any future pledge of collateral in favor of the holders of the New Notes, including pursuant to Collateral Documents delivered in connection therewith after the date the New Notes are issued, may be avoidable as a preference if, among other circumstances, (i) the pledgor permits the holders of the New Notes to receive a greater recovery in a hypothetical Chapter 7 case than if the pledge had not been given, and (ii) a bankruptcy case in respect of the pledgor is commenced within 90 days following the pledge or the perfection thereof or, in certain circumstances, a year. Accordingly, if the New Notes Issuer or any Guarantor were to file for bankruptcy protection after the first Settlement Date and any liens not granted on the first Settlement Date had been perfected less than 90 days before commencement of such bankruptcy case (or, if applicable, one year), such liens are more likely to be avoided as a preference by the bankruptcy court than if delivered and promptly recorded on the first Settlement Date (even if the

liens perfected on the first Settlement Date (or within 30 days thereof) of the New Notes would no longer be subject to such risk). To the extent that the grant of any such security interest is avoided as a preference or otherwise, the holders of the New Notes would lose the benefit of the security interest and may be required to return prior payments.

In addition, delays in the perfection of the security interests in the Collateral increase the risk that the liens granted could become subject to the liens of intervening creditors. If an intervening creditor were to perfect a security interest in certain of the items included within the Collateral, the security interest in those aspects of the Collateral in favor of the New Notes may be junior in priority as compared to the security interest of the intervening creditor.

Recording the transfers of title with respect to the Contributed Intellectual Property may be substantially delayed until after the first Settlement Date.

Recording of the transfers of title with respect to the Contributed Intellectual Property may be substantially delayed due the current backlog in the Brazilian Patent and Trademark Office (*Instituto Nacional da Propriedade Industrial*, or the "INPI") and other filing offices with respect to filings made outside Brazil. Until all such transfers are recorded, IP Co may not have full ownership of the Contributed Intellectual Property in each applicable jurisdiction. The delays at such filing offices may also delay the perfection recording of the security interest with respect to the New Notes.

There is no certainty that the foreclosure on the Collateral will be successful or that the product of such foreclosure will be sufficient to fully repay all obligations under the New Notes.

Foreclosure is directly related to the fair market value of the Collateral and the existence of buyers interested in acquiring them at the time of foreclosure. In addition, the procedure of foreclosure on the Collateral can last months or longer and not be achieved within the term desired by the New Notes holders.

The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, the condition of the aviation industry, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral would also be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time and the timing and the manner of the sale. By their nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. In addition, courts could limit recoverability if they apply non-New York law to a proceeding and deem a portion of the interest claim usurious in violation of public policy.

Upon the acceleration of the New Notes in accordance with the terms thereof, there is no guarantee that the foreclosure on the Collateral will be successful or that the product of such foreclosure will be sufficient to fully repay all obligations under the New Notes. In addition, the New 2029 Notes and the New 2030 Notes will share ratably in the benefit of the Collateral. In the event that the proceeds from the foreclosure of the Collateral are insufficient to satisfy the New Notes Issuer's obligations under the New Notes, the overall recovery of a holder of the New Notes could therefore be materially adversely affected. Furthermore, in the event proceeds from the foreclosure of the Collateral were to exceed the amount required to satisfy the New Notes Issuer's obligations, such surplus amount would be returned to the New Notes Issuer and could be subject to claims from any of our other creditors.

In addition, in the event of a bankruptcy, the ability of the holders of the New Notes to realize upon any of the Collateral may be subject to certain bankruptcy law limitations. If the New Notes Issuer or a Guarantor commences a bankruptcy or reorganization case, or one is commenced against it, a bankruptcy court judge may prevent the trustee or the Collateral Agents from foreclosing on the Collateral, including to satisfy the New Notes Issuer or Guarantors' obligations under the New Notes Indenture. The bankruptcy court adjudicating that case might find that the Collateral is the property of the bankruptcy estate. If a court were to make such a determination, the holders of the New Notes would be prohibited from foreclosing upon or disposing of the New Notes Issuer or Guarantors' property for so long as a bankruptcy court order enforcing that determination remains in force. In addition, under applicable bankruptcy laws, secured creditors such as the trustee, the Collateral Agents and the holders of the New Notes may be prohibited from foreclosing upon or disposing of a debtor's property without prior bankruptcy court approval.

The rights of holders of the New Notes in the Collateral, and priority with respect to claims against the Obligors, may be adversely affected if the New Notes Issuer and the relevant Guarantors do not perfect or secure the priority of security interests in the Collateral.

Under certain applicable law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The security interests in the Collateral may not be perfected, or their priority may not be secured, with respect to the claims of the New Notes if the New Notes Issuer and relevant Guarantors fail or are unable to take the actions required to perfect or secure the priority of any of these security interests within the agreed upon time frames for perfection or securing priority, as applicable, or at all. In addition, unless and until the security interests in the Collateral are properly perfected in accordance with the New Notes Indenture and the Collateral Documents, the creditors of the Obligors will have a claim on the assets of such Obligors that is *pari passu* with the claim of the holders of the New Notes.

In addition, certain applicable law requires that certain property and rights acquired after the grant of a general security interest can only be perfected at or promptly following the time such property and rights are acquired and identified. Depending on the jurisdiction, such property and rights may also be subject to transfer of possession to the Collateral Agents. Moreover, many of the actions required to perfect or secure the priority of security interests in the Collateral require public filings, registrations, permits or other actions that may be substantially delayed or logistically limited due to any office closures or delays in the processing of any such filings, registrations, permits or other actions by the applicable registries or government authorities, which may result in a delay in perfecting or securing the priority of security interests in the Collateral. Furthermore, the Collateral Agents will not monitor and has no obligation to monitor, and there can be no assurance that we will inform the Collateral Agents of, the future acquisition of property and rights that constitute Collateral, and that the necessary action will be taken to properly perfect or securing the priority of the security interest in such after-acquired property. Such failure may result in the loss of the security interest in the Collateral or the priority of the security interest in favor of the relevant Collateral Agent, as applicable, against third parties. Even if all actions necessary to create properly perfected security interests are taken, and to secure the priority of those security interests any such security interests that are perfected after the first Settlement Date would remain at risk of being avoided as a preferential transfer or otherwise in any bankruptcy even after the security interests perfected on the first Settlement Date were no longer subject to such risk.

The transfer of the Contributed Intellectual Property by the Contributing Parties to IP HoldCo or by IP HoldCo to IP Co could be voided if it constitutes a fraudulent transfer or fraudulent conveyance under U.S. federal bankruptcy laws or under similar laws in Brazil, which would prevent holders of the New Notes from relying on the related security interests in the Contributed Intellectual Property.

Under U.S. federal bankruptcy laws and comparable provisions of state fraudulent transfer or fraudulent conveyance laws, the transfer of the Contributed Intellectual Property by any Contributing Party to IP HoldCo or by IP HoldCo to IP Co may be voided if, among other things, a court of competent jurisdiction determines that, at the time it transferred the Contributed Intellectual Property, the applicable transferor received less than reasonably equivalent value or fair consideration and:

- was insolvent or rendered insolvent by reason of such incurrence;
- was left with inadequate capital to conduct its business;
- believed or reasonably should have believed that it would incur debts beyond its ability to pay; or
- was a defendant in an action for money damages or had a judgment for money damages docketed against it if, in either case, the judgment is unsatisfied after final judgment.

In addition, the transfer of the Contributed Intellectual Property by any Contributing Party to IP HoldCo or by IP HoldCo to IP Co may not be enforceable under Brazilian law in certain events of insolvency. In the event that the Guarantors that purported to transfer the Contributed Intellectual Property were to become insolvent or subject to a bankruptcy liquidation (*falência*), such transfer may be deemed to have been fraudulent and declared void, if: (i) granted up to two years before the declaration of bankruptcy; and (ii) no fair consideration has been given in exchange, for the transfer of the Contributed Intellectual Property by any Contributing Party to IP HoldCo or by IP

HoldCo to IP Co. These considerations apply whether or not the transferee was aware of the debtor's economic and financial distress and whether or not the debtor intended to defraud creditors, and would also result if a court holds that the transfer was made with the purpose of harming creditor rights based on evidence that the debtor acted fraudulently and that the bankrupt estate sustained damages as a result to the transaction.

If the transfer of the Contributed Intellectual Property is legally challenged, the transfer could also be subject to the claim that, since the transfer occurred for the benefit of IP Co or IP HoldCo, as applicable, and only indirectly for the benefit of the transferor, the transfer was made by the transferor for less than fair consideration. A court could thus void the transfer of the Contributed Intellectual Property or take other actions that may be detrimental to holders of the New Notes. The transfer of the Contributed Intellectual Property may also be voided, without regard to the above factors, if a court of competent jurisdiction determines that the transferor transferred the Contributed Intellectual Property with the actual intent to hinder, delay or defraud its creditors.

If a court were to void the transfer of the Contributed Intellectual Property by any Contributing Party to IP HoldCo or by IP HoldCo to IP Co for any reason, holders of the New Notes may no longer hold a valid security interest in, or any ownership interest in, the Contributed Intellectual Property and IP Co's ability to collect the license fee through the IP Licenses may be negatively impacted. Thus, in the event that a court voids the transfer for any reason, holders of the New Notes may not have any claim against the Contributed Intellectual Property or the license fee under the IP Licenses.

There can be no assurance that a bankruptcy court will not direct the substantive consolidation of IP HoldCo and/or IP Co with Azul in a bankruptcy proceeding of Azul or that IP HoldCo and/or IP Co will not become the subject of its own bankruptcy proceedings, which may impair the rights of the Collateral Agents to the Shared Collateral and limit the Collateral Agents' ability to realize value from the Shared Collateral.

The IP Parties will be structured to be operated as bankruptcy remote special purpose entities and, if Azul were to become bankrupt, the Contributed Intellectual Property is not expected to be treated as property of the bankruptcy estate of Azul. The IP Parties will be required by their constitutional documents to be operated in such a manner as to minimize the risk that they would be substantively consolidated with Azul in the event of the bankruptcy of Azul. Each Contributing Party and IP HoldCo will structure its transfer of the Contributed Intellectual Property to IP Co with the intent that they should be treated as absolute and unconditional assignments and transfers of the Contributed Intellectual Property, and that if any Contributing Party or IP HoldCo were to become bankrupt, such property would not become property of the applicable Contributing Party's or IP HoldCo's bankruptcy estates.

However, there can be no assurance that a bankruptcy court in Brazil will not direct or accept the substantive consolidation of IP Co with IP HoldCo in a bankruptcy proceeding of IP HoldCo, or the substantive consolidation of any of the IP Parties in a bankruptcy proceeding of Azul or any of its subsidiaries in Brazil. In a bankruptcy proceeding, a substantive consolidation of IP Co with IP HoldCo or Azul or any of its subsidiaries or of IP HoldCo with Azul or any of its subsidiaries could, among other things, allow the creditors of the consolidated entities to satisfy their claims from the combined assets of the consolidated entities, and could possibly impair the rights of the Collateral Agents to the Shared Collateral and thus limit your ability to realize value from the Shared Collateral. Furthermore, while each Contributing Party and IP HoldCo intend that the transfer of the Contributed Intellectual Property by them directly or indirectly to IP Co constitutes an absolute and unconditional assignment and transfer of the Contributed Intellectual Property rather than a pledge of the Contributed Intellectual Property to secure indebtedness, in the event of an insolvency of IP HoldCo or Azul or its subsidiaries, a court or bankruptcy trustee could seek to declare the transfer null and void or attempt to recharacterize the transfer of the Contributed Intellectual Property by any Contributing Party or IP HoldCo, as applicable, and the receipt of consideration therefor as a borrowing by the recipient secured by a pledge of the applicable Contributed Intellectual Property.

If a recharacterization attempt is successful, the Contributed Intellectual Property could be determined to be property of the bankruptcy estate of a Contributing Party, or IP HoldCo, as applicable, and would become subject to the automatic stay and other similar restrictions. In such circumstances, the right of the Collateral Agents to enforce and foreclose the Shared Collateral would be impaired. Furthermore, even in the event that any attempt to recharacterize the transfer is unsuccessful, a bankruptcy court may choose to exercise its equitable powers in issuing an injunction or an extension of the automatic stay to the assets of IP Co, therefore, impairing the Collateral Agent right to enforce and foreclose on the Shared Collateral.

In addition, the IP Parties may become the subject of their own bankruptcy proceedings. While each of the IP Parties is intended to be a special purpose entity, with organizational documents that include provisions that are intended to reduce the likelihood of a bankruptcy filing, it is not bankruptcy-proof. The articles of association of the IP Parties will require the vote of the Special Shareholder to, among other things, approve the filing of a petition to wind up such company. Nevertheless, should these persons determine that it is appropriate to commence winding up or bankruptcy proceedings, as applicable, a winding up or bankruptcy of any of the IP Parties on a voluntary basis could commence or any of the IP Parties could become the subject of an involuntary winding up or bankruptcy case. In addition, the IP Parties have issued a special share to the Special Shareholder, who has granted a proxy to vote such share to the Collateral Agents, and the consent of the Special Shareholder will be required to vote for any voluntary bankruptcy filing of any of the IP Parties. However, the courts of the Cayman Islands may not agree with the enforceability of structures similar to such special share structure, and there can be no assurance that the proxy vote granted to the Collateral Agents will be held to be enforceable by courts. The IP Parties may also be at a greater risk of being subject to their own bankruptcy proceedings than a passive, special purpose entity because the ownership of the Contributed Intellectual Property and licensing thereof will require them to enter into and perform obligations and make payments pursuant to various agreements, instruments and other documents entered into with other parties that may subject them to the risk of losses and the threat of litigation that could result in insolvency. In addition, IP Co has taken ownership of the Contributed Intellectual Property subject to the rights of third parties. As a result, the IP Parties may be required to perform obligations and make payments that will subject them to the risk of losses and the threat of litigation that could result in insolvency. In the event that any of the IP Parties become subject to a bankruptcy proceeding themselves, the right of the Collateral Agents to the Shared Collateral may be impaired.

In the event of a bankruptcy proceeding, pursuant to section 365 of the Bankruptcy Code, a debtor may decide, at any time until the confirmation of its plan of reorganization, whether to assume or reject an executory contract, such as the IP Licenses.

In a proceeding under chapter 11 of the Bankruptcy Code, pursuant to section 365 of the Bankruptcy Code, a debtor may decide, at any time until the confirmation of its plan of reorganization, whether to assume or reject any executory contract (such as the IP Licenses) under which material unperformed obligations of the parties thereto remain outstanding. On request of any party to such contract, a bankruptcy court may order the debtor to determine within a specific period of time whether to assume or reject such contract and to comply with the terms of the contract pending its decision to assume or reject. As a general matter, a bankruptcy court that applies section 365 of the Bankruptcy Code in an insolvency proceeding should approve assumption of the contract as long as assumption appears to be a sound exercise of the business judgment of the debtor and in the best interest of the debtor's estate, the debtor is able to perform and the contract is not the type of contract that cannot be assigned under applicable non-bankruptcy law without the consent of the counterparty (e.g., a license of intellectual property under which the party in bankruptcy is the licensee, at least in certain jurisdictions that follow the "hypothetical test"). Assumption would permit such debtor to continue operating under and to obtain the benefits of the non-debtor's continued performance under the assumed contract, *provided* that the debtor (i) immediately cures all existing defaults thereunder or provides adequate assurance that such defaults will be promptly cured, (ii) compensates the non-debtor party for any actual monetary loss incurred as a result of the debtor's default or provides adequate assurance that such compensation will be forthcoming and (iii) provides the non-debtor party with adequate assurance of future performance under the contract. A debtor seeking bankruptcy court approval to assume its executory contracts under section 365 of the Bankruptcy Code may also seek to assign such agreements to a third party. Because the debtor has such a right (except in certain cases as to a contract that cannot be assigned under applicable non-bankruptcy law without the consent of the counterparty, such as a license of intellectual property), in the event that Azul and/or its subsidiaries became subject to a bankruptcy proceeding as debtor where section 365 of the Bankruptcy Code was applied, the IP Parties would be required to monitor, and if necessary contest, the debtor's efforts to assume and/ or assign the executory contract if IP Parties had legitimate doubts as to the provision for a cure and future performance by the debtor. If an executory contract is rejected under section 365 of the Bankruptcy Code, a non-debtor party typically would have an unsecured claim in bankruptcy against the debtor and its guarantors for damages for breach determined as of the bankruptcy filing date. Payment obligations arising after the filing of a debtor's bankruptcy petition may be entitled to administrative expense priority treatment in bankruptcy even if the contract is rejected during the bankruptcy case. If Azul or any of its subsidiaries were to reject a contract with IP HoldCo or IP Co, or if IP HoldCo were to reject a contract with IP Co, such rejection could deprive IP

Parties' continued performance under the relevant contracts, which could be detrimental to the interests of the holders of the New Notes.

In the event that the Sublicense is terminated, the liquidated damages provision may not be paid.

In the event that the Azul Brand License or the Azul Other IP License, in each case, within the Sublicense, is terminated following the occurrence of any Azul Brand Termination Event or Other IP Termination Event (each as defined under "Description of Certain Material Transaction Agreements—IP Licenses"), as applicable, the Sublicense provides for the payment by Azul Linhas of liquidated damages in the form of a Termination Payment (as defined under "Description of Certain Material Transaction Agreements—IP Licenses"). The Sublicense provides that the Termination Payment shall automatically (without any notice to Azul Linhas or any other act by an IP Party, the Trustee or the U.S. Collateral Agent) become due and payable in an amount equal to the present value of an annual amount of $200,000,000 from the date of termination through and including the date that is the 20th anniversary of the date of the Sublicense, discounted to the termination date at a rate of 10% per annum. See "Description of Certain Material Transaction Agreements—IP Licenses." However, the liquidated damages provisions may be unenforceable, especially where they differ from a party's actual damages. Moreover, as discussed below, if the Sublicense is recharacterized as a debt financing and not as an executory contract, then the allowed claim for damages could be reduced to the imputed unpaid principal amount of the Sublicense plus other unpaid amounts due to the date of the bankruptcy. There are also circumstances where a bankruptcy court could excuse the debtor from fully performing under the Sublicense based on equitable considerations.

The IP Licenses may not generate sufficient, or any, license fee income.

Upon the occurrence of certain events of default under the New Notes Indenture, IP HoldCo may be required to pay to IP Co a quarterly license fee under the Head License (as defined under "Description of Certain Material Transaction Agreements—IP Licenses"), and Azul Linhas may be required to pay to IP HoldCo a quarterly license fee under the Sublicense, in each case in an amount equal to US$50,000,000 per quarter, subject to certain terms and conditions. There is a chance that such quarterly license fee never becomes due or payable if the conditions precedent do not occur. Upon foreclosure or enforcement of the applicable Shared Collateral, there is a risk that rights to such license fees, even if payable, will be impaired if Azul Linhas becomes insolvent or its revenues materially decrease. In addition, if Azul Linhas either becomes insolvent or undergoes bankruptcy, it (a) may not be able to pay the license fee under the Sublicense, if payable, and accordingly, IP HoldCo may not be able to pay the license fee under the Head License, if payable, in the ordinary course of business, (b) may seek to assume and retain the Sublicense in a manner that would restrict your flexibility to commercialize or monetize the Contributed Intellectual Property, or (c) may seek to terminate or reject the Sublicense.

The value of the Shared Collateral depends on the adequate protection of the Contributed Intellectual Property, including the Manager's performance, and litigation to enforce or defend intellectual property rights may be costly.

In connection with the transactions contemplated by the Exchange Offers, including the issuance of the New Notes by the New Notes Issuer, 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. The value of certain of the Shared Collateral is contingent upon the ability of Azul and its subsidiaries (including the IP Parties) to use the Contributed Intellectual Property and also upon adequate protection, maintenance and enforcement of such Contributed Intellectual Property.

Pursuant to the Management Agreement, the IP Parties will delegate their respective rights and obligations as licensors under the IP Licenses to the Manager, including obligations to file for and maintain the Contributed Intellectual Property. Under the Management Agreement, the IP Parties will also authorize the Manager to protect and enforce the Contributed Intellectual Property against third-party claims and unauthorized use, including prosecuting, managing, maintaining, protecting, enforcing, and defending the Contributed Intellectual Property and undertaking such other duties and services as may be necessary in connection with the Contributed Intellectual Property for the IP Parties, and the Manager will be required to do so in accordance with the Management Standard (as defined under "Description of Certain Material Transaction Agreements—Management Agreement").

If the IP Parties' efforts (or the Manager's efforts on their behalf) to protect the Contributed Intellectual Property are not adequate, if the IP Parties or Azul Linhas fail to perform under these agreements, or if any third party misappropriates, infringes or otherwise violates any of the Contributed Intellectual Property, the value of the Contributed Intellectual Property may be harmed, which could have a material adverse effect on the value of the Shared Collateral. In addition, if the IP Parties (or the Manager acting on their behalf) do not attempt or are unable to successfully protect, maintain or enforce the Contributed Intellectual Property, there could be a material adverse effect on the value of the Shared Collateral resulting from, among other things, dilution of the distinctiveness of the AZUL, TUDOAZUL and AZUL VIAGENS brands.

In addition, to the extent the IP Parties (or the Manager on their behalf) do, from time to time, institute litigation to enforce the Contributed Intellectual Property against infringement, misappropriation or other violations by third parties, such litigation could result in substantial costs and diversion of resources, regardless of whether the Manager is able to successfully enforce such rights. The Management Agreement provides that so long as Azul Linhas is the Manager, all costs and expenses associated with the defense and enforcement of the Contributed Intellectual Property will be borne by the Manager (the "Manager Litigation Costs").

If licensees and sublicensees do not observe the required quality and trademark usage standards, the Azul brand, TudoAzul brand and the TudoAzul Program may suffer reputational damage, which could in turn adversely affect revenues from the TudoAzul Program and the value of the Shared Collateral.

Azul licenses certain Contributed Intellectual Property to third parties under certain of the TudoAzul Agreements, the Azul Viagens Agreements and other license agreements, which require such third parties to use such intellectual property in accordance with established or approved quality control guidelines and other requirements in order to protect the Azul, TudoAzul and Azul Viagens brands. However, the permitted licensees may use such intellectual property not in accordance with such guidelines and may take actions that hurt the value of the Contributed Intellectual Property, the TudoAzul Program or the Azul Viagens Business. Although Azul monitors and restricts the activities of licensees, TudoAzul partners and the counterparties under its Azul Viagens Agreements through its agreements with such third parties, such third parties may refer to or make statements that do not make proper use of Azul, TudoAzul or Azul Viagens trademarks, designations or branding, or improperly use or alter Azul, TudoAzul or Azul Viagens trademarks, designations or branding, or place the Azul, TudoAzul or Azul Viagens brands in a context that may tarnish its reputation, which may dilute or tarnish the Azul, TudoAzul or Azul Viagens brands. The Manager, in its capacity of performing certain services for the IP Parties to manage the Contributed Intellectual Property pursuant to the Management Agreement, may not be able to adequately prevent such practices by such third parties, which could harm the value of the Azul, TudoAzul or Azul Viagens brands and adversely affect revenues from the TudoAzul Program or the Azul Viagens Business or the value of the Shared Collateral and could adversely impact the ability of the New Notes Issuer and the Guarantors to pay interest and principal on the New Notes.

Although the Azul Cargo Intellectual Property is included within the Azul Cargo Collateral, the exclusion of the "Azul Cargo" brand from the Contributed Intellectual Property may diminish the value of the Contributed Intellectual Property that forms part of the Shared Collateral and conflict with the IP Parties' rights therein following an event of default.

The Azul Cargo Intellectual Property is subject to a fiduciary assignment (*cessão fiduciária*) and is included within the Azul Cargo Collateral that secures the New Notes and any Azul Cargo Priority Secured Debt. However, the Azul Cargo Collateral is a separate collateral package and is not included within the Shared Collateral that secures the New Notes and other Secured Debt.

Because the Azul Cargo Intellectual Property forms part of the Azul Cargo Collateral, the "Azul Cargo" brand (and corresponding trademarks and domain names) is excluded from the Shared Collateral and will not be contributed to IP Co. As a result, subject to enforcement of the Azul Cargo Collateral, Azul and its subsidiaries will retain ownership of those intellectual property assets, even following a foreclosure upon the equitable share mortgages over the shares of the IP Parties and a sale of such shares or the Contributed Intellectual Property (including the "Azul" brand and associated trademarks and domain names) to a third party. In such a scenario, the IP Parties (or the future acquiror of the IP Parties or the Contributed Intellectual Property) would not be able to monitor, supervise or exercise any quality control over the use of the "Azul Cargo" brand by Azul, its subsidiaries, and their respective sublicensees, and would not be able to limit or control the fields or businesses in which they use

of the "Azul Cargo" brand, which may include fields or businesses that are competitive with the business of any future acquiror of the IP Parties or the Contributed Intellectual Property. Such a division of ownership of the "Azul" brand between unaffiliated third parties may result in customer confusion and the dilution or invalidation of the "Azul" brand and other Contributed Intellectual Property, and may otherwise adversely impact the value of the Contributed Intellectual Property and the goodwill associated therewith. While, in such a scenario, Azul, on the one hand, and the IP Parties (or the future acquiror of the IP Parties or the Contributed Intellectual Property), on the other hand, may seek to enter into a co-existence agreement to govern their respective uses the "Azul Cargo" brand and the "Azul" brand (and other Contributed Intellectual Property), there is no guarantee that such agreement would be entered into on commercially reasonable terms, or at all. As part of any co-existence agreement, the IP Parties (or the future acquiror of the IP Parties or the Contributed Intellectual Property) may be required to agree to limitations on their use of the "Azul" brand (and other Contributed Intellectual Property) in certain fields and other restrictions and obligations related to such use. There can be no assurance that Azul, its subsidiaries and their respective sublicensees would not breach the terms of such co-existence agreement, and, regardless of whether or not a co-existence agreement is entered into, litigation may be necessary to protect or enforce the rights of the IP Parties (or the future acquiror of the IP Parties or the Contributed Intellectual Property) in the Contributed Intellectual Property in the event of a dispute or a conflict between future uses of the "Azul Cargo" brand, on the one hand, and the "Azul" brand (or other Contributed Intellectual Property), on the other hand. The IP Parties (or the future acquiror of the IP Parties or the Contributed Intellectual Property) may also have increased difficulty in obtaining future registrations for the "Azul" brand or variations thereof. Furthermore, due to customer confusion, the IP Parties (or the future acquiror of the IP Parties or the Contributed Intellectual Property) may be named as defendants in any lawsuits related to Azul's activities with respect to the "Azul Cargo" brand. The foregoing considerations may materially and adversely affect the value of the Contributed Intellectual Property and impair the ability to exploit the Contributed Intellectual Property or sell the equity of the IP Parties following an event of default.

The transfer of the Contributed Intellectual Property may be recharacterized as a lien.

The transfers of the Contributed Intellectual Property pursuant to the Contribution Agreements have been structured with the intention of legally isolating the Contributed Intellectual Property in favor of IP Co and the IP Licenses are intended to be, and the Contributing Parties, IP HoldCo and IP Co believe based on the advice of counsel that they are, intellectual property licenses under the Bankruptcy Code. Nonetheless, under applicable law, in the event that a case were commenced by or against a transferor under the Bankruptcy Code, creditors of such transferor could claim that the "distribution" or "contribution" of the Contributed Intellectual Property to IP Co was actually a grant of a security interest in such property to secure a financing. Furthermore, in the event of an insolvency of any Contributing Party, it is possible that a debtor in possession, official committee of unsecured creditors or other entity exercising powers of an estate fiduciary could, under the Bankruptcy Code, challenge IP Co's rights to the Contributed Intellectual Property. If such challenge were to succeed, the Contributing Parties could be deemed to continue to own those assets. If IP Co were deemed not to own any such assets contributed to it, then its ability, or its right, to act as the licensor under the Head License (as defined under "Description of New Notes—Certain Definitions") could be adversely affected. Such a result would likely delay, impair or terminate the right of IP Co to use the Contributed Intellectual Property. There can be no assurance that a court would not recharacterize the transfer of the Contributed Intellectual Property as grants of security interests to secure financing. If such transfers were considered financings, the allowed claim for damages could reduce the imputed unpaid principal amount of the IP Licenses plus other unpaid amounts to the date of bankruptcy, and claims for future license payments would be disallowed as unmatured interest.

Certain of the Contributed Intellectual Property is encumbered by the IP Licenses and our co-branding, partnering and similar agreements, and your flexibility to commercialize or monetize the Contributed Intellectual Property upon any enforcement of such Shared Collateral may be restricted.

The IP Licenses may only be terminated upon the occurrence of certain events described in "Description of Certain Material Transaction Agreements—IP Licenses." If Azul Linhas or IP HoldCo breach the applicable IP License, whether through uses of the Contributed Intellectual Property in a prohibited manner or otherwise, the respective counterparties may be limited to seeking injunctive relief or damages. The utility of these forms of recourse may be limited in the event Azul Linhas or IP HoldCo becomes insolvent or undergoes bankruptcy. In addition, certain aspects of the IP Licenses may not be terminable. If Azul Linhas or IP HoldCo becomes insolvent

or undergoes bankruptcy, it may seek to assume and retain the IP Licenses in a manner that would restrict your flexibility to commercialize or monetize the Contributed Intellectual Property, although the IP Licenses purport to limit the ability of Azul Linhas or IP HoldCo and the other counterparties to the IP Licenses to do so.

In addition, the provisions of our co-branding, partnering and similar agreements may limit your ability to utilize or commercialize certain of the Contributed Intellectual Property upon any enforcement of such Shared Collateral.

The terms of these agreements are confidential and neither the holders of the New Notes nor the Trustee or Collateral Agents will have the right to review these agreements, even after an event of default under the New Notes Indenture.

Furthermore, the Controlling Creditors will not be able to instruct the U.S. Collateral Agent to terminate the IP Licenses with respect to the Azul Brand License unless and until (i) the occurrence of a Brand Case Milestones Termination Event (as defined under "Description of New Notes—Certain Definitions"), (ii) an event which allows for the suspension of such Azul Brand License has been continuing for more than 180 days, which clause (ii) shall not apply at any time that Azul Linhas is subject to a proceeding under chapter 11 of the Bankruptcy Code, or (iii) the occurrence of certain other termination events set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

The counterparties to the TudoAzul Agreements and the Azul Viagens Agreements have not agreed to waive their set-off rights and amounts owed by Azul to these counterparties may reduce cash flows under the TudoAzul Agreements and the Azul Viagens Agreement.

Certain of the TudoAzul Agreements and the Azul Viagens Agreements may contain set-off rights that have not been waived by the counterparties to such agreements. In the event that any counterparty exercises its set-off rights against payments due to it under the relevant TudoAzul Agreement or Azul Viagens Agreement, we may be required to satisfy such payment obligations, which may reduce available cash flows under the TudoAzul Agreements or the Azul Viagens Agreement, including the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreement, which are included in the Shared Collateral securing the New Notes, and may therefore have a material adverse effect on the value of the Shared Collateral. In addition, we may have other relationships with the counterparties under the TudoAzul Agreements and the Azul Viagens Agreement, with agreements containing set-off rights that have not been waived by the respective counterparties. The exercise of any counterparty of its set-off rights may require us to satisfy such payment obligations, adversely affecting the value of the Shared Collateral.

Not all of our receivables generated by the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business are subject to Collateral interests that secure the New Notes and certain receivables may be deposited initially in accounts controlled by Azul and there may be some delay before such amounts are transferred to a Collection Account.

The New Notes Indenture will not require all of the receivables generated by the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business to be subject to Collateral interests that secure the New Notes. The New Notes Indenture will require, among other things, that (i) the Assigned TudoAzul Receivables (as defined below) represent at least 70% of the TudoAzul Gross Billings (as defined below), and (ii) the Assigned Azul Viagens Receivables (as defined below) represent at least 80% of the Azul Viagens Gross Billings (as defined below), in each case for the four most recently completed Quarterly Reporting Periods (as defined below), tested on a quarterly basis. The Assigned TudoAzul Receivables and the Assigned Azul Viagens Receivables shall be required to be deposited into a Collection Account.

In addition, in relation to the Azul Cargo Collateral in respect of the Azul Cargo Business, unlike in the case of the Assigned TudoAzul Receivables and the Assigned Azul Viagens Receivables, the New Notes Indenture will not require the receivables under any agreements entered between the Azul Cargo Business and its customers to be subject to a fiduciary assignment (*cessão fiduciária*) or any other security interest. Azul Linhas will only be required to enter into fiduciary assignments (*cessão fiduciária*) in respect of the Designated Azul Cargo Credit Card and Debit Card Receivables and the Azul Cargo Receivables Deposit Account.

Furthermore, the New Notes Indenture will require that certain other receivables under the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business are deposited into a Collection Account even if such receivables are not included in the Collateral until such time as the proceeds thereof are deposited into a Collection Account. However, to the extent that a counterparty continues to deposit payments in respect of certain receivables under the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business into accounts controlled by a Guarantor, such Guarantor has two Business Days to transfer such deposits into a Collection Account. As a result, there may be a delay before certain amounts received by us are subject to the Collateral, which may impair the value of the Collateral.

Certain of our assets are excluded from the Collateral.

The Collateral securing the New Notes will be subject to exceptions, defects, encumbrances, liens and other imperfections. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could materially and adversely affect the value of the Collateral securing the New Notes as well as the ability of the Collateral Agents to realize or foreclose on such Collateral. Certain of our assets are excluded from the Collateral securing the New Notes and the related New Notes Guarantees, as discussed under "Description of New Notes—Security." In particular, not all of the assets and revenues of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business are included in the Collateral securing the New Notes and the related New Notes Guarantees. If an Event of Default occurs and the maturity of the New Notes is accelerated in accordance with the terms thereof, the New Notes and related New Notes Guarantees will rank *pari passu* with the holders of other unsecured indebtedness of the relevant Obligor with respect to such excluded assets. As a result, if the value of the assets pledged as security for the New Notes is less than the value of the claims of the holders of the New Notes, those claims may not be satisfied in full before the claims of our unsecured creditors are paid.

Lien searches may not reveal all liens on the Collateral.

We cannot guarantee that the lien searches on the Collateral that will secure the New Notes and the related New Notes Guarantees will reveal any or all existing liens on such Collateral. Any such existing lien, including undiscovered liens, could be significant, could be prior in ranking to the liens created by the Collateral Documents for the benefit of the Secured Obligations and could have an adverse effect on the ability of the Collateral Agents to realize or foreclose upon the Collateral securing the New Notes, the related New Notes Guarantees and the other Secured Obligations.

The imposition of certain Permitted Collateral Liens and Permitted Azul Cargo Financing Liens will, under certain circumstances, permit the liens on the related assets securing the New Notes and the New Notes Guarantees to be either subordinated to such Permitted Collateral Liens or Permitted Azul Cargo Financing Liens or released.

The New Notes Indenture will permit liens in favor of third parties to secure additional indebtedness, and, in the case of certain of such liens, the liens on the related assets securing the New Notes and the related New Notes Guarantees may, under certain circumstances, be either subordinated to such Permitted Collateral Liens or Permitted Azul Cargo Financing Liens or released. Our ability to incur additional indebtedness and liens on such additional indebtedness in favor of third parties is subject to limitations as described herein under the heading "Description of New Notes." In addition, certain assets are excluded from the Collateral securing the New Notes and the New Notes Guarantees, as discussed under "Description of New Notes." If an Event of Default occurs and the maturity of the New Notes is accelerated in accordance with the terms thereof, the New Notes and the New Notes Guarantees will rank *pari passu* with the holders of other unsecured indebtedness of the relevant Obligor with respect to such excluded assets. As a result, if the value of the assets pledged as security for the New Notes is less than the value of the claims of the holders of the New Notes, those claims may not be satisfied in full before the claims of our unsecured creditors are satisfied.

If any of the Obligors that have provided Collateral or own the Contributed Intellectual Property becomes the subject of a bankruptcy proceeding, bankruptcy laws may limit your ability to realize value from the Collateral.

The right of the Collateral Agents to foreclose upon, repossess, access and dispose of the Collateral upon the occurrence of an event of default under the New Notes Indenture is likely to be significantly impaired by applicable bankruptcy law if a bankruptcy case were to be commenced by or against the Obligors that have provided Collateral

or own the Contributed Intellectual Property before the Collateral Agents repossessed and disposed of the Collateral (and sometimes even after). Upon the commencement of a case under the Bankruptcy Code, a secured creditor such as the Collateral Agents is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security previously repossessed from such debtor, without prior bankruptcy court approval, which may not be given or could be materially delayed. Moreover, the Bankruptcy Code permits the debtor to continue to retain and use collateral even though the debtor is in default under the applicable debt instruments, *provided* that the secured creditor is given "adequate protection." The meaning of the term "adequate protection" may vary according to circumstances, but it is intended in general to protect the value of the secured creditor's interest in the collateral as of the commencement of the bankruptcy case (or, in some circumstances, as of a later date) and may include cash payments or the granting of additional or replacement security or superpriority administrative expense claims if and at such times as the bankruptcy court in its discretion determines that the value of the secured creditor's interest in the collateral is declining during the pendency of the bankruptcy case. A bankruptcy court may determine that a secured creditor may not require compensation for any such diminution in the value of its collateral if the value of the collateral exceeds the debt it secures.

In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary power of a bankruptcy court, it is impossible to predict:

- whether or when payments under the New Notes could be made following the commencement of a bankruptcy case, or the length of any delay in making such payments;
- whether or when the Collateral Agents could repossess or dispose of the Collateral;
- the value of the Collateral at the time of the bankruptcy petition or any other relevant time; or
- whether or to what extent holders of the New Notes would be compensated for any delay in payment or loss of value of the Collateral through the requirement of "adequate protection."

Any disposition of the Collateral during a bankruptcy case would also require permission from the bankruptcy court (which may not be given or could be materially delayed). Furthermore, in the event a bankruptcy court determines the value of the Collateral is not sufficient to repay all amounts due on debt which is to be paid first out of the proceeds of the Collateral, the holders of the New Notes would hold a secured claim only to the extent of the value of the Collateral to which the holders of the New Notes are entitled and unsecured "deficiency" claims with respect to any shortfall or under collateralization. The Bankruptcy Code only permits the payment and accrual of post-petition interest, costs and attorneys' fees to a secured creditor during a debtor's bankruptcy on the difference between the (a) value of its collateral, as determined by the bankruptcy court, and (b) aggregate outstanding principal amount of the obligations secured by the Collateral.

Certain laws and regulations may impose restrictions or limitations on foreclosure.

The New Notes Issuer's obligations under the New Notes and the Guarantors' obligations under the related New Notes Guarantees are secured only by the Collateral described in this Offering Memorandum. The Collateral Agents' ability to foreclose on the Collateral on behalf of the holders of the New Notes may be subject to perfection, priority issues, state law requirements, applicable foreign law, applicable bankruptcy law and practical problems associated with the realization of the Collateral Agents' security interest in or lien on the Collateral, including cure rights, foreclosing on the Collateral within the time periods permitted by third parties or prescribed by laws, obtaining third-party consents, making additional filings, taking steps to convert beneficial interests to legal interests, statutory rights of redemption, the equity of redemption and the effect of the order of foreclosure. The Collateral Agents may encounter difficulties in obtaining the consents of any third parties and approvals by governmental entities or courts of competent jurisdiction when required to facilitate a foreclosure on such assets. Therefore, we cannot assure you that foreclosure on the Collateral will be sufficient to make a complete recovery with respect to such Collateral, and therefore make all payments on the New Notes.

The Collateral is subject to casualty risks.

We intend to maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial

loss or impairment in value of any of the Collateral we may not carry insurance that insures the loss suffered or any insurance proceeds may not be sufficient to satisfy all of the obligations secured by the Collateral, including the New Notes and the related New Notes Guarantees.

The value of the Contributed Intellectual Property depends on the Manager's performance.

Pursuant to the Management Agreement, Azul Linhas, as the Manager, is responsible for providing certain services for the IP Parties to manage the Contributed Intellectual Property. Azul Linhas may be removed in its capacity as Manager if certain termination events have occurred or are continuing and Azul Linhas may resign from its capacity as Manager under certain circumstances. There can be no assurance that, if Azul Linhas is no longer acting as the Manager pursuant to the Management Agreement, a successor manager can be identified and retained that is capable of managing all or a portion of the Contributed Intellectual Property, or that can perform its obligations with the same level of experience and capability as Azul Linhas. A failure to continue managing and administering the Contributed Intellectual Property as currently managed and administered could have a material adverse effect on the Contributed Intellectual Property.

The Management Agreement limits the liability of the Manager.

Under the Management Agreement and save for any Manager Litigation Costs, Azul Linhas, as Manager, will not be liable for any losses to, or payable by, the IP Parties at any time from any cause whatsoever or any losses directly or indirectly arising out of or in connection with or related to the performance by the Manager under the Management Agreement unless such losses are the result of the Manager's (or its delegate's) own bad faith, gross negligence or willful misconduct or that of any of its directors, officers, agents or employees, as the case may be.

The New Notes Guarantees and rights in the Collateral may not be enforceable taking into account either the claw back statutory period and/or if deemed fraudulent and declared void.

The New Notes Guarantees and rights in the Collateral may not be enforceable under Brazilian law in certain events of insolvency. While Brazilian law does not prohibit the granting of guarantees, in the event that a guarantor becomes insolvent or subject to bankruptcy liquidation, such guarantees, if granted up to two years before the declaration of bankruptcy, in order to guarantee prior debts and under certain specific circumstances, may be deemed ineffective, such as it being granted without fair consideration (i.e. gratuitous transaction). A guarantee may also be deemed to have been fraudulent and declared void, if proved that such guarantee was granted with actual intent to hinder, delay or defraud its creditors in fraudulent collusion with the beneficiaries of the guarantee.

In addition, if we are to become subject to liquidation, your rights to the Collateral may be declared void under Brazilian law if the transaction is implemented within the claw back statutory period (up to 90 days from the date the liquidation has been requested, the date of the filing for judicial reorganization, or from the date the first demand (*protesto*) for payment has been made against the Guarantors). The New Notes Guarantees and rights in the Collateral may also be declared void in cases where: (a) the transaction (i) is implemented up to two years before the declaration of bankruptcy, and (ii) no fair consideration has been given in exchange for such Collateral; or (b) a court holds that the transfer was made with the purpose of harming creditor rights based on evidence that the debtor acted fraudulently (i.e. that the New Notes Guarantees and the Collateral were granted with actual intent to hinder, delay or defraud our creditors).

Given the Guarantors may be required to grant security interests periodically after the first Settlement Date in order to comply with the TudoAzul Receivables Coverage Covenant and the Azul Viagens Receivables Coverage Covenant (each as defined "Description of New Notes—Certain Covenants—TudoAzul and Azul Viagens Receivables; Receivables Coverage Obligations") in accordance with the terms of the New Notes Indenture, a liquidation proceeding involving us within 90 days from the date that any post-closing Collateral is granted may cause the security interest in the assets subject to such post-closing Collateral to be declared void.

Enforcement of rights in certain of the Collateral is subject to several difficulties, which may hinder holders of the New Notes from exercising their rights under the fiduciary assignment (cessão fiduciária) and fiduciary transfer (alienação fiduciária) agreements entered in connection with the New Notes.

To avoid foreclosure and sale of certain of the Collateral either in a legal proceeding predicated on a default under the New Notes or New Notes Guarantees or during a judicial reorganization proceeding before or after the expiration of the stay period, we may raise the defense that some or all of the relevant Collateral is essential to our operations and business activities and should be retained at least for a period to approve and implement a reorganization plan or maintaining its activities. A legal dispute of this nature may last for several months or even years.

If the court accepts our defense in a legal proceeding, outside of the context of a judicial reorganization, we will have to satisfy the obligation under the relevant fiduciary assignment (*cessão fiduciária*) or fiduciary transfer (*alienação fiduciária*) agreement entered in connection with the New Notes by, for example, offering other assets or by any other means. We may not have other assets in sufficient value to offer in lieu of the Collateral.

In a judicial reorganization of Azul, while payment obligations under the New Notes and the New Notes Guarantees secured by the Collateral would not be included in the restructuring plan, holders of the New Notes would not be able to enforce their rights in the Collateral subject to the fiduciary assignment (*cessão fiduciária*) and fiduciary transfer (*alienação fiduciária*) agreements entered in connection with the New Notes during the stay period, if the Collateral is considered a capital good that is essential for the company's activities. The bankruptcy court has jurisdiction to establish and to confirm if such assets are considered a capital good that is essential for the company's business. According to Brazilian bankruptcy law, the stay period is 180 days from the first decision authorizing the proceeding and may be extended once, under an exceptional basis, for the same period, *provided* that the company under judicial reorganization has not caused to surpass the first period. Moreover, after the expiration of the stay period, if the court finds that some or all of the Collateral is essential to preserve our operations and business activities, holders of the New Notes may not be permitted during the pendency of the judicial reorganization to seize and sell such collateral pursuant to the terms of the fiduciary assignment (*cessão fiduciária*) and fiduciary transfer (*alienação fiduciária*) agreements entered in connection with the New Notes.

In addition, Brazilian bankruptcy law is significantly different from, and may be less favorable to creditors than, the bankruptcy laws of certain other jurisdictions. Holders of the New Notes may be excluded on voting rights at creditors' meetings in the context of a court reorganization proceeding due to the fiduciary assignment (*cessão fiduciária*) or fiduciary transfer (*alienação fiduciária*) of assets (at least up to the amount of the value of the assets under the fiduciary assignment (*cessão fiduciária*) or fiduciary transfer (*alienação fiduciária*)) and will not be subject to the specific insolvency proceeding.

Also, holders of the New Notes may be involved in extensive and time-consuming proceedings and challenges from third parties in excluding the collateral subject to the fiduciary assignment (*cessão fiduciária*) and the fiduciary transfer (*alienação fiduciária*) agreements entered in connection with the New Notes from the assets affected by liquidation proceedings.

Enforcement of a foreign judgment in Brazil will likely be required for holders of the New Notes to enforce rights in the Collateral under the fiduciary assignment (cessão fiduciária) and fiduciary transfer (alienação fiduciária) agreements entered in connection with the New Notes.

If a default occurs under the New Notes or the New Notes Guarantees, the Collateral Agents, on behalf of the Holders of New Notes, if and as instructed by the New Notes Trustee, subject to the terms of the Intercreditor Agreement, may initiate a legal proceeding in a Brazilian court against the relevant Guarantor requesting the seizure of the Collateral based on the relevant fiduciary assignment (*cessão fiduciária*) or fiduciary transfer (*alienação fiduciária*) agreement entered in connection with the New Notes. If there is a dispute as to whether a default has occurred according to the laws of the State of New York, it is likely that the Brazilian court will require a New York court opinion confirming that a default under the New Notes or the New Notes Guarantees has occurred and given rise to the Collateral Agents' right to enforce the rights of holders of the New Notes in the Collateral under the fiduciary assignment (*cessão fiduciária*) and fiduciary transfer (*alienação fiduciária*) agreements entered in connection with the New Notes. The New York court opinion will need to be confirmed in Brazil. See "Enforcement of Civil Liabilities." We cannot assure that confirmation would be obtained, that the confirmation

process would be conducted in a timely manner or that a Brazilian court would enforce the New York law judgment related to the default under the New Notes or the New Notes Guarantees.

We may not perfect the security interests in intellectual property in certain jurisdictions outside of Brazil, which may result in the holders of the New Notes not having a validly perfected lien.

We may not perfect the security interests in Contributed Intellectual Property that is registered under the laws of certain jurisdictions outside of Brazil. As a consequence, the New Notes Trustee and the Collateral Agents will not have a validly perfected lien in such Collateral under the laws of such applicable other jurisdictions. We will file the applicable Collateral Documents and request the annotation of the lien in the registrations with the INPI for registration purposes and with the relevant Titles and Deed Registry Offices, in order to perfect the collateral under Brazilian industrial property law (Law No. 9,279/96). However, the laws of such applicable foreign jurisdictions may not recognize perfection under Brazilian law in respect of such Collateral.

Risks Relating to the Exchange Offers and the Solicitations

The decision to tender Existing Notes may expose exchanging Eligible Holders to the risk of nonpayment for a longer period of time.

The Existing Notes mature prior to the maturity date of the New Notes. If following the maturity date of a series of Existing Notes, but prior to the maturity date of the New Notes received in exchange for such Existing Notes, the New Notes Issuer was to become subject to a bankruptcy or similar proceeding, the holders of such Existing Notes who did not exchange their Existing Notes for the New Notes could be paid in full and there would be a risk that Eligible Holders who exchanged their Existing Notes for New Notes as provided above would not be paid in full, if at all. The market price of the New Notes may also decline during this period if our creditworthiness declines. The decision to tender Existing Notes should be made with the understanding that the lengthened maturity of the New Notes exposes exchanging Eligible Holders to the risk of nonpayment or a decline in our creditworthiness for a longer period of time.

The Exchange Offers may result in reduced liquidity for the Existing Notes that are not exchanged.

To the extent tenders of Existing Notes for exchange in the Exchange Offers are accepted for exchange by the Existing Notes Issuer and the Exchange Offers are completed, the trading market for a series of Existing Notes that are not exchanged could become more limited than the existing trading market for such series of Existing Notes and could cease to exist altogether if the consummation of the Exchange Offers results in the reduction in the principal amount of such series of Existing Notes. A more limited trading market, whether due to reduced principal amount outstanding of a series of Existing Notes or otherwise, might adversely affect the liquidity, market price and price volatility of all the Existing Notes or the particular series of Existing Notes with a reduced aggregate principal amount. If a market for Existing Notes that are not exchanged exists or develops, the Existing Notes may trade at a discount to the price at which they would trade if the principal amount outstanding were not reduced. There can be no assurance that an active market in the Existing Notes will exist, develop or be maintained, or as to the prices at which the Existing Notes may trade, whether or not the Exchange Offers are consummated.

We expect that New Notes issued by the New Notes Issuer in the Exchange Offers will be treated as issued with significant original issue discount ("OID") for U.S. federal income tax purposes, requiring U.S. Holders to include OID in income in advance of the receipt of some or all of the related cash payments.

As discussed below under "Certain U.S. Federal Income Tax Considerations—Ownership of the New Notes—Interest and OID on the New Notes," we expect the New Notes to be issued by the New Notes Issuer with significant OID for U.S. federal income tax purposes. A U.S. Holder of an OID debt security is generally required to include in income the sum of the daily accruals of the OID for the debt security for each day during the taxable year (or portion of the taxable year) in which the U.S. Holder held the OID debt security, regardless of such holder's regular method of accounting. Thus, we expect that a U.S. Holder of New Notes will be required to include OID in income in advance of the receipt of some or all of the related cash payments made on the New Notes.

If the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, the New Notes of the relevant series issued by the New Notes Issuer on the Final Settlement Date may not be treated

as fungible with the New Notes of the relevant series issued by the New Notes Issuer on the Early Settlement Date for U.S. federal income tax purposes. If non-fungible New Notes of the relevant series are issued by the New Notes Issuer on the Final Settlement Date, such New Notes of the relevant series will have a separate CUSIP number and the trading market for the New Notes of the relevant series may be less liquid.

As discussed below under "Certain U.S. Federal Income Tax Considerations—Consequences of Participating in the Exchange Offers—Issue Price of the New Notes," if the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, we currently expect that the New Notes of the relevant series issued by the New Notes Issuer on the Final Settlement Date will be fungible with the New Notes of the relevant series issued by the New Notes Issuer on the Early Settlement Date for U.S. federal income tax purposes. However, there can be no assurance that the applicable Final Settlement Date will occur no more than thirteen days from the Early Settlement Date in respect of Existing Notes of a series (inclusive), and therefore New Notes of the relevant series issued by the New Notes Issuer on the applicable Final Settlement Date may not be fungible with the New Notes of the relevant series issued by the New Notes Issuer on the Early Settlement Date unless the New Notes of the relevant series are treated as issued in a "qualified reopening" for U.S. federal income tax purposes. In such case, if New Notes of the relevant series are not treated as issued in a qualified reopening, we generally expect to make a determination that the Fungibility Condition (as described under "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations") with respect to the New Notes of the relevant series that are issued on the applicable Final Settlement Date is not satisfied. In addition, and if the Existing Notes Issuer elects to waive the Fungibility Condition, we expect that the New Notes of the relevant series issued by the New Notes Issuer on the applicable Final Settlement Date in such case would have a separate CUSIP number (as described under "Description of New Notes—Further Issues"). U.S. Holders should consult their tax advisors regarding the determination of the issue price of New Notes received pursuant to the Exchange Offers and the related U.S. federal income tax considerations for such U.S. Holders.

We expect that a U.S. Holder that exchanges its Existing Notes pursuant to the Exchange Offers will generally be required to recognize its gain, if any, for U.S. federal income tax purposes and that a U.S. Holder that exchanges Existing 2024 Notes will not be permitted to recognize any loss for U.S. federal income tax purposes.

We expect, and intend to take the position, that the exchange of Existing Notes for New Notes by a U.S. Holder pursuant to the Exchange Offers will result in realization of gain or loss for a U.S. Holder. The exchange of the Existing 2026 Notes for New 2030 Notes will result in the recognition of gain or loss for a U.S. Holder. See discussion below in "Certain U.S. Federal Income Tax Considerations—Consequences of Participating in the Exchange Offers." In addition, as described in further detail below under "Certain U.S. Federal Income Tax Considerations—Consequences of Participating in the Exchange Offers," although not free from doubt, we intend to take the position that the exchange of Existing 2024 Notes for New 2029 Notes qualifies as a "recapitalization" for U.S. federal income tax purposes. Under this treatment, a U.S. Holder that exchanges Existing 2024 Notes pursuant to the Exchange Offers will generally be required to recognize its gain, if any, to the extent described below under "Certain U.S. Federal Income Tax Considerations—Consequences of Participating in the Exchange Offers," and generally will not be permitted to recognize any loss realized on the exchange.

A U.S. Holder should consult its U.S. tax advisor to determine whether it will be required to recognize any gain, or permitted to deduct any loss, on the exchange of Existing Notes for New Notes. See "Certain U.S. Federal Income Tax Considerations—Consequences of Participating in the Exchange Offers."

We have not obtained a third-party determination that the Exchange Offers and the Solicitations are fair to holders of the Existing Notes.

None of the Existing Notes Issuer, the Obligors, the Existing Notes Trustee, the New Notes Trustee, the Dealer Managers, the Financial Advisor, the Exchange Agent or the Information Agent makes any recommendation as to whether you should tender your Existing Notes in exchange for New Notes in the Exchange Offers, or as to whether you should deliver Consents, and we have not made a determination or obtained a third-party determination that the Exchange Offers and the Solicitations are fair to holders of the Existing Notes.

Neither the board of directors of Azul, nor any director or officer of the Existing Notes Issuer or any Obligor, has made or will make, any recommendation as to whether holders of Existing Notes should tender their Existing Notes in exchange for New Notes pursuant to the Exchange Offers, nor as to whether you should deliver Consents.

Furthermore, our board of directors has not made any determination that the consideration to be received represents a fair valuation of the Existing Notes, and we also have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of Existing Notes for purposes of negotiating the terms of the Exchange Offers, or preparing a report or making any recommendation concerning the fairness of the Exchange Offers or the Solicitations. Therefore, if an Eligible Holder tenders their Existing Notes, they may not receive more or as much value than if they had chosen to keep them. Eligible Holders of Existing Notes must make their own independent decisions regarding their participation in the applicable Exchange Offer.

The consummation of the Exchange Offers and the Solicitations may not occur.

The Existing Notes Issuer is not obligated to complete any Exchange Offers or the Solicitations. The completion of the Exchange Offer for a series of Existing Notes, and of the Solicitations, is subject to, and conditional upon, the satisfaction or waiver of certain conditions, including, among other things, (i) the Minimum Exchange Conditions; (ii) the Convertible Debentures Amendments Condition, which condition may not be waived (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—Convertible Debentures Amendments Condition"); (iii) the AerCap Secured Obligations Amendments Condition, which condition may not be waived (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—AerCap Secured Obligations Amendments Condition"); (iv) the Amendments and Waivers Condition (see "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations—Amendments and Waivers Condition"); (v) if the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, the condition that the Existing Notes Issuer determines that New Notes of the relevant series issued by the New Notes Issuer on the Final Settlement Date will be fungible with the New Notes of the relevant series issued by the New Notes Issuer on the Early Settlement Date for U.S. federal income tax purposes (see "Certain U.S. Federal Income Tax Considerations"); (vi) the condition that, as of the Expiration Deadline (or the date of acceptance, with respect to any Existing Notes accepted for exchange by the Existing Notes Issuer prior to the Expiration Deadline), the combination of the yield of the New Notes of the relevant series and the Total Early Exchange Consideration for the Existing Notes of the relevant series would result in the New Notes and such Existing Notes being treated as "substantially different" under ASC 470-50; and (vii) that nothing has occurred or may occur that would or might, in our judgment, be expected to prohibit, prevent, restrict or delay an Exchange Offer, a Solicitation or impair us from realizing the anticipated benefits of an Exchange Offer or of a Solicitation. In addition, in the Existing Notes Issuer's sole discretion, subject to applicable law, the Existing Notes Issuer reserves the right to remove one or both series of Existing Notes from the Exchange Offers if the Existing Notes Issuer determines, in its reasonable judgment, that the desired accounting and tax treatment will not be achieved. In addition, subject to applicable law, the Existing Notes Issuer may extend, amend or terminate an Exchange Offer, or a Solicitation, at any time before the Expiration Deadline for any reason, including if any of the conditions of each Exchange Offer are not satisfied or waived by the Expiration Deadline (or the Early Settlement Date, if the Existing Notes Issuer elects to have an Early Settlement Date), and may, in our sole discretion, waive any of the conditions to an Exchange Offer. See "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations." Even if the Exchange Offers and Solicitations are completed, they may not be completed on the schedule described in this Offering Memorandum. Accordingly, Eligible Holders participating in the Exchange Offers and Solicitations may have to wait longer than expected to receive the Total Early Exchange Consideration or Exchange Consideration, as applicable, during which time those Eligible Holders will not be able to effect transfers of their Existing Notes tendered in the Exchange Offers.

The Existing Notes Issuer may remove a series of Existing Notes from the Exchange Offers.

In addition, in the Existing Notes Issuer's sole discretion, subject to applicable law, the Existing Notes Issuer reserves the right to remove one or both series of Existing Notes from the Exchange Offers if the Existing Notes Issuer determines, in its reasonable judgment, that the desired accounting and tax treatment will not be achieved.

Eligible Holders are responsible for consulting their advisers.

Eligible Holders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Exchange Offers, the Solicitations and an investment in the New Notes.

None of the Existing Notes Issuer, the Obligors, the Dealer Managers, the Financial Advisor, the Exchange Agent, the Information Agent or their respective directors, employees or affiliates is acting for any Eligible Holder, or will be responsible to any Eligible Holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Exchange Offers or the Solicitations, and accordingly none of the Existing Notes Issuer, the Obligors, the Dealer Managers, the Financial Advisor, the Exchange Agent, the Information Agent or their respective directors, employees and affiliates makes any recommendation whatsoever regarding the Exchange Offers, the Solicitations, or any recommendation as to whether Eligible Holders should tender their Existing Notes for exchange pursuant to the Exchange Offers, or deliver Consents.

Late deliveries of Existing Notes or any other failure to comply with the Exchange Offers' procedures could prevent an Eligible Holder from exchanging its Existing Notes.

Eligible Holders of Existing Notes are responsible for complying with all the procedures of the Exchange Offers and the Solicitations. The issuance of New Notes by the New Notes Issuer in exchange for Existing Notes will only occur upon proper completion of the procedures described in this Offering Memorandum under "Description of the Exchange Offers and the Solicitations—Procedures for Tendering Existing Notes." Therefore, holders of Existing Notes who wish to exchange their Existing Notes for New Notes should allow sufficient time for timely completion of the procedures of the Exchange Offers. Neither the Existing Notes Issuer nor the Exchange Agent are obligated to extend the Exchange Offers or notify Eligible Holders of any failure to follow the proper procedures.

If an Eligible Holder holds Existing Notes through a broker, dealer, commercial bank, trust company or other nominee, they should keep in mind that such entity may require them to take action with respect to the Exchange Offers a number of days before the Expiration Deadline in order for such entity to tender Existing Notes on their behalf at or prior to the Expiration Deadline.

Subsequent to the completion of the Exchange Offers, the Existing Notes Issuer may purchase any Existing Notes not tendered in the Exchange Offers on terms that could be more favorable to holders of Existing Notes than the terms of the Exchange Offers.

The Existing Notes Issuer may, at any time to the extent permitted by applicable law, purchase Existing Notes in the open market, in privately negotiated transactions, through subsequent tender or exchange offers or otherwise, which purchases may be made on the same terms or on terms which are more favorable to holders than the terms of the Exchange Offers. Holders that tender Existing Notes in the Exchange Offers will not, in respect of such tendered Existing Notes accepted for exchange by the Existing Notes Issuer, be able to participate in any subsequent repurchase, which may be made on terms that are more favorable than those of the Exchange Offers.

If an Eligible Holder tenders some but not all of their holdings of a series of Existing Notes such that after the Exchange Offers they will retain less than the minimum denomination of such series of Existing Notes, the Eligible Holder's ability to trade such series of the Existing Notes may be limited.

DTC limits the ability of holders to trade principal amounts of Existing Notes that are lower than the minimum denomination of the Existing Notes of US$200,000. Therefore, an Eligible Holder's ability to trade a series of the Existing Notes following the expiration of the applicable Exchange Offer may be limited if they tender some but not all of such series of Existing Notes such that they will retain less than US$200,000 in principal amount of such series of Existing Notes.

Failure to complete the Exchange Offers successfully could negatively affect the prices of the Existing Notes.

Several conditions must be satisfied or waived in order to complete each of the Exchange Offers and the Solicitations. The conditions to any of the Exchange Offers may not be satisfied, and if such conditions are not satisfied or waived, such Exchange Offers may not occur or may be delayed. If the Exchange Offers are not completed or are delayed, the respective market prices of any or all of the series of Existing Notes in such Exchange Offers may decline to the extent that the respective current market prices reflect an assumption that such Exchange Offers have been or will be completed.

The Proposed Amendments will, if adopted, significantly reduce protections to the Eligible Holders of the Existing Notes.

If the Proposed Amendments are adopted, the covenants, events of default and some other terms of the Existing Notes will be less restrictive and will afford reduced protection to holders of those securities. The Proposed Amendments with respect to each Existing Notes Indenture would eliminate substantially all of the restrictive covenants, events of default and related provisions contained in such Existing Notes Indenture. If such Proposed Amendments become operative, the applicable Existing Notes that are not tendered and exchanged or purchased pursuant to the Exchange Offers will remain outstanding and will be subject to the terms of the applicable Existing Notes Indenture, as amended by such Proposed Amendments. As a result, Eligible Holders of such Existing Notes not tendered or not exchanged or purchased pursuant to the Exchange Offers will no longer be entitled to the benefits of substantially all of the restrictive covenants and events of default currently contained in the applicable Existing Notes Indenture.

The elimination or modification of these restrictive covenants, events of default and other provisions would permit us to take certain actions previously prohibited or limited by certain restrictions in such Existing Notes Indentures, in each case, without violating the provisions of the Existing Notes Indentures. The Proposed Amendments would allow us to take actions that would likely increase the credit risks faced by Eligible Holders of Existing Notes not exchanged or purchased pursuant to the Exchange Offers. As a result, the market price, credit ratings and liquidity of any remaining outstanding Existing Notes may be affected negatively. If the Proposed Amendments are adopted, we expect one or more rating agencies to lower their credit ratings on the Existing Notes below the rating currently assigned to the Existing Notes.

DESCRIPTION OF THE EXCHANGE OFFERS AND THE SOLICITATIONS

The Offeror

The Existing Notes Issuer is a limited liability partnership formed under the laws of the State of Delaware. The Existing Notes Issuer's registered office is located at the offices of Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. The address of Azul's principal executive offices is Avenida Marcos Penteado de Ulhôa Rodrigues, 939, Tamboré, Edifício Jatobá, 8th Floor, Castelo Branco Office Park, Barueri, São Paulo, SP 06460-040, Brazil, and the telephone number at that address is (+55) 11 4831-2880.

Purpose of the Exchange Offers and the Solicitations

The purpose of the Exchange Offers is to refinance a portion of the Existing Notes in order to optimize our debt capital structure as part of the execution of our recapitalization strategy.

The purpose of the Solicitations is to obtain the Consents of Eligible Holders of the Existing 2024 Notes and Existing 2026 Notes to effect the 2024 Proposed Amendments and the 2026 Proposed Amendments, respectively, which would eliminate substantially all of the restrictive covenants, events of default and related provisions contained in such Existing Notes Indenture.

General

The Existing Notes Issuer is making offers to Eligible Holders of the Existing Notes to exchange, upon the terms and subject to the conditions set forth in this Offering Memorandum, their Existing Notes pursuant to the following two separate Exchange Offers:

(i) an offer to exchange any and all of the US$400,000,000 outstanding principal amount of the 5.875% Senior Notes due 2024 issued by the Existing Notes Issuer, for 11.500% Senior Secured Second Out Notes due 2029 to be issued by the New Notes Issuer; and

(ii) an offer to exchange any and all of the US$600,000,000 outstanding principal amount of 7.250% Senior Notes due 2026 issued by the Existing Notes Issuer for 10.875% Senior Secured Second Out Notes due 2030 to be issued by the New Notes Issuer,

in each case, subject to, among other things, the Minimum Exchange Conditions, as described in "—Minimum Exchange Conditions."

Unless the context indicates otherwise, all references to a valid tender of Existing Notes in this Offering Memorandum shall mean that such Existing Notes have been validly tendered at or prior to the Expiration Deadline, and have not been validly withdrawn at or prior to the Withdrawal Deadline.

The Solicitations

Simultaneously with the Exchange Offers, the Existing Notes Issuer is soliciting (i) from Eligible Holders of the Existing 2024 Notes, the 2024 Consents to effect the 2024 Proposed Amendments to the 2024 Notes Indenture, and (ii) from Eligible Holders of the Existing 2026 Notes, the 2026 Consents to effect the 2026 Proposed Amendments to the 2026 Notes Indenture.

The tender of Existing Notes by an Eligible Holder for exchange pursuant to the Exchange Offers will constitute the Consent of such Eligible Holder to the Proposed Amendments. To effect a tender of Existing Notes and a delivery of Consents to the Proposed Amendments, Eligible Holders must electronically transmit their acceptance in accordance with DTC's ATOP. See "—Procedures for Tendering Existing Notes."

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.

If the Proposed Amendments become effective with respect to an Existing Notes Indenture, the holders of any untendered Existing Notes of the applicable series will be bound thereby. 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.

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.

The Proposed Amendments, if they become effective, may have adverse consequences for Eligible Holders of Existing Notes that do not tender their Existing Notes in the Exchange Offers.

Neither the Existing Notes 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.

Transaction Support Agreement

We have entered into the Transaction Support Agreement dated June 13, 2023, between the Obligors and 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 Offering Memorandum. The consent of Supporting Noteholders suffices to approve the Proposed Amendments in respect of the Existing Notes of each series.

The Proposed Amendments to the Existing Notes Indentures

The Proposed Amendments with respect to each Existing Notes Indenture would eliminate substantially all of the restrictive covenants, events of default and related provisions contained in such Existing Notes Indenture. See "The Proposed Amendments to the Existing Notes Indentures."

If the Existing Notes Issuer consummates a Solicitation with respect to only one series of Existing Notes and only the Proposed Amendments with respect to such series go into effect, then the Proposed Amendments with respect to such other series will not go into effect and the remaining Existing Notes of such other series will still be entitled to the benefits and protections of the covenants, events of default and other provisions contained in the Existing Notes Indenture with respect to such series.

Eligibility to Participate in the Exchange Offers

The offering, issuance and sale of the New Notes has not been, and will not be, registered under the Securities Act, or the securities laws of any other jurisdiction. This Offering Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration of the Exchange Offers and an investment in the New Notes (i) to "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("QIBs"), 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 (collectively, "Regulation S Holders"). The holders of Existing Notes who have represented to us that they are eligible to participate in the Exchange Offers pursuant to at least one of the foregoing conditions, and who have properly completed and submitted the eligibility certification in electronic form (the "Eligibility Certification") available at https://gbsc-usa.com/eligibility/azul are authorized to receive and review this Offering Memorandum and are referred to in this Offering Memorandum as

Eligible Holders. **If a holder of Existing Notes is not an Eligible Holder, they should dispose of this Offering Memorandum.** Only Eligible Holders that also comply with the other requirements set forth in this Offering Memorandum are eligible to participate in the Exchange Offers and the Solicitations. See "Transfer Restrictions" and "Offer and Distribution Restrictions."

Each Eligible Holder that participates in an Exchange Offer and submits an Agent's Message through ATOP will make or will be deemed to make certain representations and agreements as set forth herein, including representations as to the foregoing matters. See "Description of the Exchange Offers and the Solicitations—Representations, Warranties and Covenants of Holders of Existing Notes" and "Transfer Restrictions."

Total Early Exchange Consideration and Exchange Consideration

Upon the terms and subject to the conditions set forth in this Offering Memorandum, Eligible Holders that validly tender Existing Notes and deliver related Consents at or prior to the Early Participation Deadline and who do not validly withdraw tendered Existing Notes and do not revoke such Consents at or prior to the Withdrawal Deadline, and whose Existing Notes are accepted for exchange by the Existing Notes Issuer, will receive the applicable Total Early Exchange Consideration.

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 table on the front cover of this Offering Memorandum, which includes the "Early Exchange Premium" for Existing Notes set forth in the table on the front cover of this Offering Memorandum.

Upon the terms and subject to the conditions set forth in this Offering Memorandum, Eligible Holders that validly tender Existing Notes and deliver related Consents after the Early Participation Deadline but at or prior to 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").

Minimum Exchange Conditions

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, which include, with respect to the Existing 2024 Notes, the receipt of Existing 2024 Notes validly tendered (and not validly withdrawn) prior to the Expiration Deadline representing not less than 70% of the aggregate principal amount of Existing 2024 Notes outstanding (which we refer to as the 2024 Notes Minimum Exchange Condition) and, with respect to the Existing 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 (which we refer to as the Aggregate Minimum Exchange Condition).

Early Participation Deadline and Expiration Deadline

The "Early Participation Deadline" for each of the Exchange Offers is 5:00 p.m., New York City time, on June 27, 2023, unless extended, in which case the Early Participation Deadline will be such time and date to which the Early Participation Deadline is extended. The "Expiration Deadline" for each of the Exchange Offers is 11:59 p.m., New York City time, on July 12, 2023, unless extended, in which case the Expiration Deadline will be such time and date to which the Expiration Deadline is extended.

Early Settlement Date and Settlement Date

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. 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 first Settlement Date

(which would be the only Settlement Date if the Existing Notes Issuer does not elect to have an Early Settlement Date) is also referred to as the "Closing Date" in certain other sections of this Offering Memorandum.

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.

On the applicable Settlement Date, the Existing Notes Issuer will deposit with DTC an amount of cash sufficient to pay any cash amounts related to accrued and unpaid interest (as described below) and the New 2029 Notes and the New 2030 Notes will be issued by the New Notes Issuer in exchange for any Existing 2024 Notes and Existing 2026 Notes, respectively, tendered and accepted for exchange by the Existing Notes Issuer on the applicable Settlement Date in the amount and manner described in this Offering Memorandum.

Accrued Interest

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.

Minimum Authorized Denomination

Any series of Existing Notes may be tendered and will be accepted for payment only in principal amounts equal to the minimum denomination of US$200,000 and integral multiples of US$1,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted. Eligible Holders who do not tender all of their Existing Notes must retain Existing Notes at least equal to the minimum denomination of US$200,000.

Additional Amounts

Subject to the exceptions and limitations specified in relevant Existing Notes Indenture, the Existing Notes Issuer will pay additional amounts to Eligible Holders that participate in the Exchange Offers in respect of any withholding taxes imposed or levied by or on behalf of Brazil and the United States or any taxing authority therein or thereof, or any other jurisdiction from or through which Accrued Interest payments are made, with respect to Accrued Interest payable in the Exchange Offers, such that the amount received by such Eligible Holders after deduction of any such withholding tax will equal the applicable Accrued Interest.

No Fractional Amount of New Notes

The New Notes will be issued by the New Notes Issuer in a minimum denomination of US$175,000 and integral multiples of US$1.00 in excess thereof. If, under the terms of the Exchange Offers, any tendering Eligible Holder is entitled to receive New Notes in a principal amount that is not a permitted denomination, the principal amount of the New Notes will be rounded down to the nearest permitted denomination and no cash will be paid for fractional New Notes not received as a result of such rounding down. If, however, such Eligible Holder would be entitled to receive less than US$175,000 principal amount of New Notes, the Eligible Holder's tender will be rejected in full and the Existing Notes subject to this tender will be returned to the Eligible Holder.

No Partial Tenders

In order to tender Existing Notes of either series pursuant to the relevant Exchange Offer, Eligible Holders will be required, at the time of such tender, to certify to the Existing Notes Issuer that they (i) have validly tendered and not validly withdrawn any and all Existing Notes of each series beneficially owned by them pursuant to the Exchange Offers, and (ii) will not validly withdraw any such tender of any Existing Notes of either series if they have not also validly withdrawn any Existing Notes of the other series that they have tendered in the relevant Exchange Offer. No Eligible Holder may tender less than all of its Existing Notes in an Exchange Offer.

Extensions; Amendments; Termination; Announcements

Subject to applicable law, the Existing Notes Issuer reserves the right, in its absolute discretion, by giving oral or written notice to the Exchange Agent, to:

- extend an Exchange Offer or a Solicitation;
- terminate an Exchange Offer or a Solicitation, including but not limited to those situations in which a condition to the Existing Notes Issuer's obligation to exchange the series of Existing Notes subject to such Exchange Offer for New Notes to be issued by the New Notes Issuer or to complete a Solicitation is not satisfied or waived on or before the Expiration Deadline (or the Early Settlement Date, if the Existing Notes Issuer elects to have an Early Settlement Date); and
- amend an Exchange Offer or a Solicitation.

Each Exchange Offer and Solicitation is a separate offer or solicitation, as applicable, 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, including if any of the conditions of each Exchange Offer are not satisfied or waived by the Expiration Deadline (or the Early Settlement Date, if the Existing Notes Issuer elects to have an Early Settlement Date), subject to applicable law.

If an Exchange Offer and/or a Solicitation is amended in a manner that the Existing Notes Issuer determines constitutes a material change, or if the Existing Notes Issuer waives a material condition with respect to an Exchange Offer and/or a Solicitation, the Existing Notes Issuer will promptly disclose such amendment in a manner reasonably calculated to inform holders of the relevant series of Existing Notes and extend such Exchange Offer and/or Solicitation to the extent required by law. Any increase in the consideration offered to Eligible Holders of Existing Notes pursuant to the Exchange Offers will be paid to all Eligible Holders whose Existing Notes have been previously tendered and not validly withdrawn and are accepted for exchange by the Existing Notes Issuer.

The Existing Notes Issuer will promptly announce any extension, amendment or termination of an Exchange Offer or Solicitation, as well as any other event for which an announcement is contemplated in this Offering Memorandum or as required by applicable law, by issuing a press release. The Existing Notes 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. The Existing Notes Issuer has no other obligation to publish, advertise or otherwise communicate any information about any extension, amendment or termination.

Conditions to the Exchange Offers and the Solicitations

Notwithstanding any other provisions of the Exchange Offers, or any extension of the Exchange Offers, the Existing Notes Issuer will not be required to accept any Existing Notes for exchange, exchange any New Notes for Existing Notes or pay any cash amounts, or execute supplemental indentures relating to the Proposed Amendments with respect to each Existing Notes Indenture, and the Existing Notes Issuer may terminate any Exchange Offer or any Solicitation or, at its option, modify, extend or otherwise amend an Exchange Offer or a Solicitation, if any of the following conditions have not been satisfied or waived on or before the Expiration Deadline (or the Early Settlement Date, if the Existing Notes Issuer elects to have an Early Settlement Date):

(i) with respect to the Existing 2024 Notes, the 2024 Notes Minimum Exchange Condition and, with respect to the Existing 2026 Notes, the Aggregate Notes Minimum Exchange Condition;

(ii) the Convertible Debentures Amendments Condition, which condition may not be waived (see "—Convertible Debentures Amendments Condition" below);

(iii) the AerCap Secured Obligations Amendments Condition, which condition may not be waived (see "—AerCap Secured Obligations Amendments Condition" below);

(iv) the Amendments and Waivers Condition (see "—Amendments and Waivers Condition" below);

(v) if the Existing Notes Issuer elects to have an Early Settlement Date in respect of Existing Notes of a series, the condition that the Existing Notes Issuer determines that New Notes of the relevant series issued by the New Notes Issuer on the Final Settlement Date will be fungible with the New Notes of the relevant series issued by the New Notes Issuer on the Early Settlement Date for U.S. federal income tax purposes (see "Certain U.S. Federal Income Tax Considerations");

(vi) the condition that, as of the Expiration Deadline (or the date of acceptance, with respect to any Existing Notes accepted for exchange prior to the Expiration Deadline), the combination of the yield of the New Notes of the relevant series and the Total Early Exchange Consideration for Existing Notes of the relevant series would result in such New Notes and such Existing Notes being treated as "substantially different" under ASC 470-50;

(vii) no action or event shall have occurred or been threatened, no action shall have been taken, and no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been issued, promulgated, enacted, entered, enforced or deemed to be applicable to such Exchange Offer, the exchange of Existing Notes for New Notes under such Exchange Offer, or such Solicitation by or before any court or governmental regulatory or administrative agency, authority, instrumentality or tribunal, including, without limitation, taxing authorities, that either:

(a) challenges the making of such Exchange Offer, the exchange of Existing Notes for New Notes under such Exchange Offer, or such Solicitation or might, directly or indirectly, be expected to prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any manner, such Exchange Offer, the exchange of Existing Notes for New Notes under such Exchange Offer, or such Solicitation; or

(b) in the Existing Notes Issuer's reasonable judgment, could materially adversely affect our (or any of our subsidiaries') business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects or impair the contemplated benefits to us of such Exchange Offer, the exchange of Existing Notes for New Notes under such Exchange Offer, the delivery of any cash amounts, or such Solicitation;

(viii) there shall not have been any change or development that in the Existing Notes Issuer's reasonable judgment materially reduces the anticipated benefits to us of such Exchange Offer or such Solicitation or that has had, or could reasonably be expected to have, a material adverse effect on us (or any of our subsidiaries), our (or any of our subsidiaries') businesses, condition (financial or otherwise) or prospects;

(ix) there shall not have occurred (a) any general suspension of or limitation on trading in securities in the United States securities or financial markets, whether or not mandatory, (b) any material adverse change in the prices of the Existing Notes, (c) a material impairment in the general trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, whether or not mandatory, (e) a material escalation or commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to the United States, if the effect of any such event, in the reasonable judgment of the Existing Notes Issuer or any Guarantor, makes it impracticable or inadvisable to proceed with such Exchange Offer or such Solicitation, (f) any limitation, whether or not mandatory, by any governmental authority on, or other event in the reasonable judgment of the Existing Notes Issuer or any Guarantor, having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the United States, (g) any material adverse change in the securities or financial markets in the United States generally or (h) in the case of any of the foregoing existing at the time of the commencement of the Exchange Offers, a material acceleration or worsening thereof; and

(x) the relevant Existing Notes Trustee under the Existing Notes Indentures that are the subject of such Exchange Offer and the New Notes Trustee with respect to the New Notes to be issued by the New Notes Issuer in the Exchange Offers shall not have been directed by any holders of Existing Notes subject to such Exchange Offer to object in any respect to, nor take any action that could, in the Existing Notes Issuer's reasonable judgment, adversely affect the consummation of such Exchange Offer or the exchange of Existing Notes for New Notes under such Exchange Offer, nor shall either Existing Notes Trustee have taken any action that challenges the validity or effectiveness of the procedures used by us in making such Exchange Offer, the exchange of Existing Notes for New Notes under such Exchange Offer or the delivery of any cash amounts.

The foregoing conditions are for our sole benefit and may be asserted or waived by the Existing Notes Issuer in whole or in part in its absolute discretion with respect to all series of Existing Notes or with respect to one or more particular series of Existing Notes. Any determination made by the Existing Notes Issuer concerning an event, development or circumstance described or referred to above will be conclusive and binding, subject to challenge in a court of competent jurisdiction.

If any of the foregoing conditions are not satisfied with respect to all series of Existing Notes or with respect to one or more particular series of Existing Notes, as the case may be, on a series by series basis, at any time prior to the Expiration Deadline, the Existing Notes Issuer may:

- terminate such Exchange Offer or Exchange Offers, or such Solicitation or Solicitations, and promptly return all tendered Existing Notes subject to such Exchange Offer or Exchange Offers to the respective tendering holders;
- modify, extend or otherwise amend such Exchange Offer or Exchange Offers, or such Solicitation or Solicitations, and retain all tendered Existing Notes subject to such Exchange Offer or Exchange Offers until the Expiration Deadline, as extended, subject, however, to the withdrawal rights of Eligible Holders; or
- waive the unsatisfied conditions with respect to such Exchange Offer or Exchange Offers, or such Solicitation or Solicitations, and accept all Existing Notes tendered and not previously validly withdrawn pursuant to such Exchange Offer.

In addition, in the Existing Notes Issuer's sole discretion, subject to applicable law, the Existing Notes Issuer reserves the right to remove one or both series of Existing Notes from the Exchange Offers if the Existing Notes Issuer determines, in its reasonable judgment, that the desired accounting and tax treatment will not be achieved. In addition, subject to applicable law, the Existing Notes Issuer may in its absolute discretion terminate any Exchange Offer for any other reason or for no reason.

Solely as it relates to the Solicitations, the Existing Notes Issuer will not be required to enter into supplemental indentures relating to the Proposed Amendments with respect to each Existing Notes Indenture, and the Existing Notes Issuer may, in its sole discretion, terminate any of the Solicitations or, in its sole discretion, modify, extend or otherwise amend any of the Solicitations if, at or prior to the Expiration Deadline (or the Early Settlement Date, if the Existing Notes Issuer elects to have an Early Settlement Date), the Existing Notes Issuer has not received the applicable Consents required to approve the applicable Proposed Amendments.

Convertible Debentures Amendments Condition

As described under "Description of Certain Indebtedness and Other Obligations—Convertible Debentures," consummation of the Exchange Offers and the Solicitations is conditional upon, among other things, the Convertible Debentures Amendments being implemented in accordance with the terms of the Convertible Debentures and the related agreements, which we refer to as the Convertible Debentures Amendments Condition. If the Convertible Debentures Amendments Condition is not satisfied, the Exchange Offers will not be consummated and, among other things, the relevant collateral that currently secures the Convertible Debentures will not be shared for the benefit of the holders of the New Notes and any other Secured Obligations. There can be no assurance that the Convertible Debentures Amendments Condition will be satisfied.

AerCap Secured Obligations Amendments Condition

As described under "Description of Certain Indebtedness and Other Obligations—AerCap Secured Obligations," consummation of the Exchange Offers and the Solicitations is conditional upon, among other things,

the AerCap Secured Obligations Amendments being implemented in accordance with the terms of the AerCap Deferral Agreement, the AerCap Forbearance Agreement, the Lease Collateral Agreements and related documents, which we refer to as the AerCap Secured Obligations Amendments Condition. If the AerCap Secured Obligations Amendments Condition is not satisfied, the Exchange Offers will not be consummated and, among other things, the relevant collateral that currently secures the AerCap Secured Obligations will not be shared for the benefit of the holders of the New Notes and any other Secured Obligations. There can be no assurance that the AerCap Secured Obligations Amendments Condition will be satisfied.

Amendments and Waivers Condition

We have entered into certain financings agreements and arrangements in the ordinary course of our business with certain financial institutions, which include, among others, certain restrictions on the incurrence of indebtedness and/or the granting of collateral. Consummation of the Exchange Offers and the Solicitations is conditional upon, among other things, us obtaining any such waivers and amendments from our creditors in accordance with the terms of these financings (the "Amendments and Waivers Condition"). There can be no assurance that the Amendments and Waivers Condition will be satisfied.

Additional Purchases of Existing Notes

The Existing Notes Issuer reserves the right, in its absolute discretion, to purchase or make offers to purchase any Existing Notes that remain outstanding subsequent to the Expiration Deadline and, to the extent permitted by applicable law, to purchase Existing Notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers could differ from the terms of the Exchange Offers. Any purchase or offer to purchase will be made in accordance with applicable law.

Absence of Appraisal and Dissenters' Rights

Holders of the Existing Notes do not have any appraisal or dissenters' rights in connection with the Exchange Offers.

Acceptance of Existing Notes for Exchange and Delivery of New Notes and Payment of Cash

Subject to the satisfaction or waiver of the conditions to the Exchange Offers, including the Minimum Exchange Conditions, the Convertible Debentures Amendments Condition, the AerCap Secured Obligations Amendments Condition and the Amendments and Waivers Condition, the Existing Notes Issuer will accept for exchange the Existing Notes validly tendered and not validly withdrawn as of the Expiration Deadline. The Existing Notes Issuer shall be deemed to have accepted validly tendered Existing Notes when and if it has given oral or written notice to the Exchange Agent of its acceptance.

On the applicable Settlement Date, the New Notes to be issued by the New Notes Issuer in exchange for Existing Notes in an Exchange Offer, if consummated, will be delivered in book-entry form. The Exchange Agent will act as agent for the Eligible Holders who validly tender their Existing Notes in an Exchange Offer for the purposes of receiving the New Notes and delivering the New Notes and any cash amounts to such holders. All Existing Notes exchanged will be cancelled. Payment of any cash amounts will be made by deposit of funds with DTC, which will transmit those payments to tendering holders. Interest on any cash amounts payable to tendering Eligible Holders whose Existing Notes are accepted for exchange by the Existing Notes Issuer will not be paid, regardless of any time period or delay in the transmission of funds to holders by the Exchange Agent or DTC.

The Existing Notes Issuer expressly reserves the right, in its sole discretion, but subject to applicable law, to (1) extend, amend or terminate an Exchange Offer at any time and (2) waive any of the conditions to an Exchange Offer. If, for any reason, acceptance for exchange of tendered Existing Notes, or issuance of New Notes by the New Notes Issuer or delivery of any cash amounts in exchange for validly tendered Existing Notes, pursuant to the Exchange Offers is delayed, or the Existing Notes Issuer is unable to accept tendered Existing Notes for exchange, the New Notes Issuer is unable to issue New Notes or the Existing Notes Issuer is unable deliver any cash amounts in exchange for validly tendered Existing Notes pursuant to the Exchange Offers, then the Exchange Agent may, nevertheless, on its behalf, retain the tendered Existing Notes, without prejudice to its rights described under "—Expiration Deadline"; "—Extensions; Amendments; Termination" and "—Conditions to the Exchange Offers and

the Solicitations" above and "—Procedures for Tendering Existing Notes" below, but subject to Rule 14e-l under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which requires that the Existing Notes Issuer delivers the consideration offered or return the Existing Notes tendered promptly after the termination or withdrawal of the Exchange Offers.

If any tendered Existing Notes are not accepted for any reason described in the terms and conditions of an Exchange Offer, such unaccepted Existing Notes will be returned without expense to the tendering holders promptly after the expiration or termination of such Exchange Offer.

Procedures for Tendering Existing Notes

Tenders by Beneficial Owners

All of the Existing Notes are held in book-entry form through the facilities of DTC. Only an Eligible Holder of the Existing Notes may tender the Existing Notes of any series of Exchange Offers. To tender Existing Notes that are held through a broker, dealer, commercial bank, trust company or other nominee, a beneficial owner thereof must instruct such nominee to tender the Existing Notes on such beneficial owner's behalf according to the procedure described below. There is no separate letter of transmittal in connection with this Offering Memorandum, the Exchange Offers or the Solicitations. See "—Book-Entry Notes," "—Effect of Tender," "—Representations, Warranties and Covenants of Holders of Existing Notes," "—General," and "Transfer Restrictions" for discussions of the items that all Eligible Holders who tender Existing Notes in any of the Exchange Offers will be deemed to have represented, warranted and agreed.

Subject to the laws of the jurisdictions in which Eligible Holders reside, only Eligible Holders who have duly completed and returned the Eligibility Letter certifying that they are either (1) QIBs or (2) Regulation S Holders located outside of the United States and who are non-U.S. qualified offerees (as defined under "—Eligibility to Participate in the Exchange Offers" and "Transfer Restrictions") are authorized to receive and review this Offering Memorandum and participate in the Exchange Offers. For further information, call the Exchange Agent, the Information Agent or one of the Dealer Managers at the telephone numbers set forth on the back cover of this Offering Memorandum or consult your nominee for assistance.

For an Eligible Holder to tender Existing Notes validly pursuant to the Exchange Offers, (1) an Agent's Message must be received by the Exchange Agent via DTC's Automated Tender Offer Program ("ATOP") and (2) tendered Existing Notes must be transferred pursuant to the procedures for book-entry transfer described below and a confirmation of such book-entry transfer must be received by the Exchange Agent at or prior to the Early Participation Deadline or the Expiration Deadline, as applicable.

To effectively tender Existing Notes, DTC participants should transmit their acceptance through ATOP, for which the Exchange Offers will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Exchange Agent for its acceptance. Delivery of tendered Existing Notes must be made to the Exchange Agent pursuant to the book-entry delivery procedures set forth below.

Except as otherwise provided herein, delivery of Existing Notes will be deemed made, and the risk of loss of the Existing Notes will pass to the Exchange Agent, only when the Agent's Message is actually received by the Exchange Agent.

Book-Entry Notes

All of the Existing Notes are held in book-entry form through the facilities of DTC. The Existing Notes Issuer expects that that the Exchange Agent will make a request promptly after the date of this Offering Memorandum to establish accounts with respect to the Existing Notes at DTC for the purpose of facilitating the Exchange Offers. Subject to the establishment of the accounts, any financial institution that is a participant in DTC's system may tender Existing Notes in any Exchange Offer through book-entry delivery of such Existing Notes by causing DTC to transfer the Existing Notes into the Exchange Agent's account in accordance with DTC's procedures for such transfer. DTC will then send an Agent's Message to the Exchange Agent.

The term "Agent's Message" means a message, transmitted by DTC and received by the Exchange Agent and forming part of the confirmation of a book-entry transfer, which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message, stating the aggregate principal amount of Existing Notes that have been tendered by such participant pursuant to the Exchange Offers, that such participant has received this Offering Memorandum and that such participant agrees to be bound by and makes the representations and warranties contained herein and that the Existing Notes Issuer may enforce such agreement against such participant. Delivery of an Agent's Message will also constitute an acknowledgment from the tendering DTC participant that the representations contained herein are true and correct.

Eligible Holders desiring to tender Existing Notes pursuant to ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC. If you desire to tender Existing Notes held in book-entry form with DTC, the Exchange Agent must receive, on or prior to the Expiration Deadline or, in order to receive the Early Exchange Premium, on or before the Early Participation Deadline, a confirmation of book-entry transfer of Existing Notes into the Exchange Agent's account at DTC, an Agent's Message transmitted through ATOP and any other required documentation. Except as otherwise provided herein, delivery of Existing Notes will be made only when the Agent's Message is actually received by the Exchange Agent. No documents should be sent to the Existing Notes Issuer, the Obligors, the Dealer Managers or the Financial Advisor. If you are tendering through a nominee, you should check to see whether there is an earlier deadline for instructions with respect to your decision.

The tender of Existing Notes by an Eligible Holder pursuant to the Exchange Offers will constitute the Consent of such Eligible Holder to the Proposed Amendments. DTC participants are required to electronically transmit their acceptance of an Exchange Offer (which will also constitute delivery of Consents) by complying with DTC's ATOP procedures. When a DTC participant participates in an Exchange Offer via ATOP, and also causes the transfer of book-entry Existing Notes to the Exchange Agent's account as described above, DTC is expected to send a book-entry confirmation, including an Agent's Message, to the Exchange Agent.

The valid tender by an Eligible Holder of Existing Notes by the Expiration Deadline that is not validly withdrawn, and the subsequent acceptance of such tender by the Existing Notes Issuer, will constitute a binding agreement between such Eligible Holder and the Existing Notes Issuer in accordance with the terms and subject to the conditions of the applicable Exchange Offer set forth in this Offering Memorandum. The participation in an Exchange Offer by a tendering Eligible Holder will constitute the agreement by that Eligible Holder to deliver good and valid title to the tendered Existing Notes, free and clear of any and all liens, restrictions, charges, pledges, security interests, encumbrances or rights of any kind of third parties. By participating in an Exchange Offer, the Eligible Holder will also have agreed to (i) not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Notes tendered from the date of such tender and that any such purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect, and (ii) execute and deliver such further documents and give such further assurances as may be required in connection with the Exchange Offers and the transactions contemplated thereby, in each case on and subject to the terms and conditions of the Exchange Offers. In addition, by tendering Existing Notes an Eligible Holder will also have released us and our affiliates from any and all claims that Eligible Holders may have arising out of or relating to the Existing Notes.

Representations, Warranties and Covenants of Holders of Existing Notes

Subject to, and effective upon, the acceptance by the Existing Notes Issuer of, and the issuance of the New Notes by the New Notes Issuer in exchange for, the principal amount of Existing Notes tendered in accordance with the terms and subject to the conditions of the applicable Exchange Offer, a tendering Eligible Holder, by submitting or sending an Agent's Message to the Exchange Agent in connection with the tender of Existing Notes, will have:

- irrevocably agreed to sell, assign and transfer to or upon order of the Existing Notes Issuer or the order of its nominee all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the holder's status as a holder of, all Existing Notes tendered thereby, such that thereafter the holder shall have no contractual or other rights or claims in law or equity against the Existing Notes Issuer, the Obligors or either Existing Notes Trustee under the relevant Existing Notes Indenture arising under, from or in connection with such Existing Notes;

- waived any and all rights with respect to the Existing Notes tendered, including, without limitation, any existing or past defaults and their consequences in respect of such Existing Notes;
- released and discharged the Existing Notes Issuer, the Obligors and the relevant Existing Notes Trustee with respect to the relevant Existing Notes Indenture from any and all claims that the holder may have, now or in the future, arising out of or related to the Existing Notes tendered thereby, including, without limitation, any claims that the holder is entitled to receive additional principal or interest payments with respect to the Existing Notes tendered thereby, other than accrued and unpaid interest on the Existing Notes or as otherwise expressly provided in this Offering Memorandum, or to participate in any redemption, repurchase or defeasance of the Existing Notes tendered thereby;
- irrevocably constituted and appointed the Exchange Agent as the true and lawful agent and attorney-in-fact of such tendering Eligible Holder (with full knowledge that the Exchange Agent also acts as the agent of the Existing Notes Issuer) with respect to any tendered Existing Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (i) deliver such Existing Notes or transfer ownership of such Existing Notes on the account books maintained by DTC together with all accompanying evidences of transfer and authenticity, to or upon our order, (ii) present such Existing Notes for transfer on the register, and (iii) receive all benefits or otherwise exercise all rights of beneficial ownership of such Existing Notes, including receipt of New Notes issued by the New Notes Issuer in exchange therefor and the balance of the Exchange Consideration for any Existing Notes tendered pursuant to the Exchange Offers with respect to the Existing Notes that are accepted for exchange by the Existing Notes Issuer and transfer such New Notes and such funds to the Eligible Holder, all in accordance with the terms of the applicable Exchange Offer; and
- represented, warranted and agreed that:
    - it has received this Offering Memorandum;
    - it is the beneficial owner (as defined below) of, or a duly authorized representative of one or more beneficial owners of, the Existing Notes tendered thereby, and it has full power and authority to tender the Existing Notes and deliver related Consents;
    - the Existing Notes being tendered thereby were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and the Existing Notes Issuer will acquire good, indefeasible and unencumbered title to those Existing Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when it accepts the same;
    - it will not sell, pledge, hypothecate or otherwise encumber or transfer any Existing Notes tendered thereby from the date of this Offering Memorandum, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
    - it (i) has validly tendered and not validly withdrawn any and all Existing Notes of each series beneficially owned by it pursuant to the Exchange Offers, and (ii) it will not validly withdraw any such tender of any Existing Notes of either series if it has not also validly withdrawn any Existing Notes of the other series that it has tendered in the relevant Exchange Offer;
    - it is making all representations contained in the Eligibility Letter and it is either (1) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or (2) a Regulation S Holder located outside of the United States and who is a non-U.S. qualified offeree (as defined under"—Eligibility to Participate in the Exchange Offers" and "Transfer Restrictions") (an Eligible Holder) and is tendering Existing Notes for its own account or for a discretionary account or accounts on behalf of one or more persons who are Eligible Holders as to which it has been instructed and has the authority to make the statements contained in, or incorporated by reference into, this Offering Memorandum;
    - it is not resident and/or located in the United Kingdom or, if resident and/or located in the United Kingdom, it is not a retail investor. For the purposes hereof "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of EUWA, (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as

defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA, or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA;

- it is not resident and/or located in any Member State of the European Economic Area or, if resident in any Member State of the European Economic Area, it is not a retail investor. For the purposes hereof "retail investor" means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in the Prospectus Regulation;
- it is not resident and/or located in Belgium or, if it is located and/or resident in Belgium, it is acting for its own account and it is a qualified investor (*investisseur qualifié/gekwalificeerde belegger*) within the meaning of Article 10, §1 of the Belgian Public Offer Law;
- it is not resident and/or located in France or, if it is resident and/or located in France, it is (a) a qualified investor (*investisseur qualifié*) other than an individual and/or (b) a legal entity whose total assets exceed €5 million, or whose annual turnover exceeds €5 million, or whose managed assets exceed €5 million or whose annual headcount exceeds 50, acting for its own account (all as defined in, and in accordance with, Articles L.3412, L.411-2, D.341-1 and D.411-1 to D.411-3 of the French Code *monétaire et financier*);
- it is not located or resident in Italy, or if it is located or resident in Italy, it is an authorized person or submitting its Agent's Message through an authorized person and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- it is not located or resident in Canada or, if it is located or resident in Canada, it is an "accredited investor" and a "permitted client," each as defined under applicable Canadian provincial securities laws;
- it is not located in or resident in Hong Kong, or if it is located or resident in Hong Kong, either (i) it is a professional investor as defined in the Securities and Futures Ordinance of Hong Kong (the "Ordinance") and any rules made under that Ordinance or (ii) its participation in any of the Exchange Offers will not result in this Offering Memorandum being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong;
- it is otherwise a person to whom it is lawful to make available this Offering Memorandum or to make the applicable Exchange Offer in accordance with applicable laws (including the transfer restrictions set out in this Offering Memorandum);
- it has had access to such financial and other information and has been afforded the opportunity to ask such questions of representatives of the Existing Notes Issuer and the Guarantors and receive answers thereto, as it deems necessary in connection with its decision to participate in any of the Exchange Offers;
- in evaluating the applicable Exchange Offer and in making its decision whether to participate in such Exchange Offer by the tender of Existing Notes, it has made its own independent appraisal of the matters referred to in this Offering Memorandum and in any related communications;
- the tender of Existing Notes and/or the delivery of related Consents shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Offering Memorandum;
- either (a) such holder is not (i) an "employee benefit plan" that is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) a plan that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or to provisions under applicable Federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Law"), or (iii) an entity the underlying assets of which are considered to include "plan assets" of such plans or (b) such holder's tender of the Existing Notes and acquisition, holding and disposition of the New Notes either (i) are not a prohibited transaction under ERISA, the Code or

Similar Law (ii) are entitled to exemptive relief from the prohibited transaction provisions of ERISA and the Code in accordance with one or more available statutory, class or individual prohibited transaction exemptions and are otherwise permissible under any applicable Similar Law;

- it has a net long position in the Existing Notes being tendered pursuant to the applicable Exchange Offer within the meaning of Rule 14e-4 under the Exchange Act, and the tender of such Existing Notes complies with Rule 14e-4;
- it and the person receiving New Notes have observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid or cause to be paid any issue, transfer or other taxes or requisite payments due from any of them in each respect in connection with any offer or acceptance in any jurisdiction, and that it and such person or persons have not taken or omitted to take any action in breach of the terms of any of the Exchange Offers or which will or may result in the Existing Notes Issuer or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with any of the Exchange Offers or the tender of Existing Notes in connection therewith;
- neither it nor the person receiving New Notes is acting on behalf of any person who could not truthfully make the foregoing representations, warranties and undertakings or those set forth in the Agent's Message; and
- it acknowledges that the Existing Notes Issuer, the Obligors, the Exchange Agent, the Information Agent, the Dealer Managers, the Financial Advisor, the Existing Notes Trustees and the New Notes Trustee will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and warranties made by its submission of a tender in accordance with the procedures set forth herein, are, at any time prior to the consummation of the applicable Exchange Offer, no longer accurate, it shall promptly notify the Exchange Agent and the Information Agent. If it is tendering the Existing Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

The representations, warranties and agreements of an Eligible Holder tendering Existing Notes will be deemed to be repeated and reconfirmed on and as of the Early Participation Deadline, the Expiration Deadline and the applicable Settlement Date. For purposes of this Offering Memorandum, the "beneficial owner" of any Existing Notes means any holder that exercises investment discretion with respect to those Existing Notes.

General

The Existing Notes Issuer will determine in its sole discretion all questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal of tendered Existing Notes. The Existing Notes Issuer's determination will be final and binding. The Existing Notes Issuer reserves the absolute right to reject any and all Existing Notes not validly tendered or any Existing Notes the acceptance of which would, in the opinion of its counsel, be unlawful. The Existing Notes Issuer also reserves the right to waive any defects or irregularities in, or conditions of, any tenders as to particular Existing Notes, including any delay in the submission thereof or any instruction with respect thereto. A waiver of any defect or irregularity with respect to the tender of one Existing Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Existing Note. The Existing Notes Issuer's interpretation of the terms and conditions of the Exchange Offers will be final and binding on all parties.

Unless waived, any defects or irregularities in connection with tenders of Existing Notes must be cured by the Expiration Deadline. Although the Existing Notes Issuer intends to notify holders of defects or irregularities with respect to tenders of Existing Notes, none of the Existing Notes Issuer, the Exchange Agent or any other person will incur any liability for failure to give notification. Tenders of Existing Notes will not be deemed made until those defects or irregularities have been cured or waived. Any Existing Notes received by the Exchange Agent that are not validly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent without cost to the tendering holder promptly following the Expiration Deadline.

Withdrawal of Tenders and Revocation of Consents

Except as otherwise provided in this Offering Memorandum, holders of Existing Notes may withdraw their tenders and revoke their related Consents at any time prior to the Withdrawal Deadline, but will thereafter be irrevocable, except in certain limited circumstances where additional withdrawal rights are required by law. Subject to applicable law, the Existing Notes Issuer may extend the Early Participation Deadline or the Expiration Deadline, with or without extending the Withdrawal Deadline. Tenders submitted in the Exchange Offers after the Withdrawal Deadline will be irrevocable except in the limited circumstances where additional withdrawal rights are required by law.

Unless the context indicates otherwise, all references to a valid tender of the applicable Existing Notes and delivery of the applicable Consents in this Offering Memorandum shall mean that such series of Existing Notes and such applicable Consents have been validly tendered or delivered, at or prior to the Early Participation Deadline or the Expiration Deadline, as applicable, and such tender or delivery has not been validly withdrawn or revoked at or prior to the Withdrawal Deadline.

For a withdrawal of a tender of Existing Notes and revocation of the related Consent to be effective, a properly transmitted "Request Message" through ATOP must be timely received by the Exchange Agent prior to the Withdrawal Deadline. Any such notice of withdrawal must contain:

- the name of the DTC participant whose name appears on the security position as the owner of such Existing Notes; and
- the description of the Existing Notes to be withdrawn (including the principal amount of the Existing Notes to be withdrawn).

A valid withdrawal of tendered Existing Notes will also constitute the revocation of the related Consent to the related Proposed Amendments to the applicable Existing Notes Indenture.

Withdrawal of tenders of Existing Notes and deliveries of related Consents may not be rescinded, and any Existing Notes properly withdrawn will thereafter not be validly tendered for purposes of the Exchange Offers. Withdrawal of Existing Notes and revocation of Consents may only be accomplished in accordance with the foregoing procedures. Existing Notes validly withdrawn and related Consents validly revoked may thereafter be retendered and reconsented at any time on or before the Early Participation Deadline or the Expiration Deadline, as applicable by following the procedures described under "—Procedures for Tendering Existing Notes."

If you are a beneficial owner whose Existing Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to withdraw previously tendered Existing Notes or revoke previously delivered Consents, you should contact the nominee promptly and instruct the nominee to withdraw your Existing Notes and revoke the Consents on your behalf prior to the Withdrawal Deadline. If Existing Notes have been tendered pursuant to the procedure for book-entry transfer described under "—Procedures for Tendering Existing Notes," any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Existing Notes and otherwise comply with the procedures of DTC.

The Existing Notes Issuer will determine all questions as to the validity, form and eligibility, including time of receipt, of notices of withdrawal, and its determination shall be final and binding on all parties. The Existing Notes Issuer will deem any Existing Notes so withdrawn not to have been validly tendered for exchange for purposes of the applicable Exchange Offer. Validly withdrawn Existing Notes will be returned without expense to the tendering holder thereof promptly following the valid withdrawal thereof. In the case of Existing Notes tendered by book-entry transfer into the Exchange Agent's account at DTC pursuant to the book-entry transfer procedures described above, any such withdrawn Existing Notes will be credited to the account at DTC from which such Existing Notes were tendered promptly following a valid withdrawal.

You may re-tender validly withdrawn Existing Notes by following one of the procedures described under the caption "—Procedures for Tendering Existing Notes" above at any time by the Expiration Deadline or, in order to receive the Early Exchange Premium, on or before the Early Participation Deadline.

The Existing Notes Issuer may, in its sole discretion (subject to applicable law, regulation or interpretation of the staff of the SEC), extend the Withdrawal Deadline with respect to one or more Exchange Offers. In the case of any extension of the Withdrawal Deadline, the Existing Notes Issuer will notify the Exchange Agent orally (confirmed in writing) or in writing of any such extension and also will notify the holders of the relevant series of Existing Notes by public announcement promptly following such extension of the Withdrawal Deadline.

Compliance with "Short Tendering" Rule

It is a violation of Rule 14e-4 (promulgated under the Exchange Act) for a person, directly or indirectly, to tender Existing Notes for his own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount at maturity, of such Existing Notes being tendered and (b) will cause such Existing Notes to be delivered in accordance with the terms of such Exchange Offer. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Existing Notes in the Exchange Offers under any of the procedures described above will constitute a binding agreement between the tendering holder and us with respect to such Exchange Offer upon the terms and subject to the conditions of such Exchange Offer, including the tendering holder's acceptance of the terms and conditions of such Exchange Offer, as well as the tendering holder's representation and warranty that (a) such holder has a net long position in such Existing Notes being tendered pursuant to such Exchange Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Existing Notes complies with Rule 14e-4.

Exchange Agent; Information Agent

Global Bondholder Services Corporation has been appointed as the Exchange Agent and the Information Agent for the Exchange Offers and the Solicitations. All correspondence in connection with the Exchange Offers and the Solicitations should be sent or delivered by each Eligible Holder of Existing Notes, or a beneficial owner's commercial bank, broker, dealer, trust company or other nominee, to the Exchange Agent at the address listed on the back cover page of this Offering Memorandum. Questions concerning tender procedures and requests for additional copies of this Offering Memorandum should be directed to the Information Agent at the address and telephone numbers listed on the back cover page of this Offering Memorandum. Eligible Holders of Existing Notes may also contact their commercial bank, broker, dealer, trust company or other nominee for assistance concerning the Exchange Offers and the Solicitations. The Existing Notes Issuer will pay the Exchange Agent and the Information Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

Dealer Managers

The Existing Notes Issuer has retained Citigroup Global Markets Inc. as the sole structuring agent and lead dealer manager and solicitation agent for the Exchange Offers and the Solicitations. The Existing Notes Issuer has also retained Itau BBA USA Securities, Inc., J.P. Morgan Securities LLC and UBS Securities LLC to act as dealer managers and solicitation agents in connection with the Exchange Offers and the Solicitations (which are collectively referred to herein, together with Citigroup Global Markets Inc., as the Dealer Managers) pursuant to a dealer manager agreement entered into between the Existing Notes Issuer, the New Notes Issuer, certain of the Guarantors and the Dealer Managers. The Existing Notes Issuer will pay the Dealer Managers a customary fee for soliciting acceptances of the Exchange Offers and soliciting consents in the Solicitations. The obligations of the Dealer Managers to perform their functions are subject to various conditions. Each of the Existing Notes Issuer, the New Notes Issuer and certain of the Guarantors has agreed to indemnify the Dealer Managers against certain liabilities. The Dealer Managers may contact Eligible Holders of Existing Notes by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Exchange Offers and the Solicitations to beneficial holders. Questions regarding the terms of the Exchange Offers and the Solicitations may be directed to the Dealer Managers at the addresses and telephone numbers listed on the back cover page of this Offering Memorandum. At any given time, the Dealer Managers or their respective affiliates may (but are not required to) trade the Existing Notes, the New Notes or other securities of the Existing Notes Issuer, the New Notes Issuer or the Obligors for their own account or for the accounts of their customers and, accordingly, may hold a long or short position in the Existing Notes and the New Notes. To the extent that the Dealer Managers or their affiliates hold Existing Notes during the Exchange Offers, they may (but are not required to) tender such Existing Notes in the Exchange Offers pursuant to the terms of the

Exchange Offers. The Dealer Managers or their affiliates may (but are not required to) tender Existing Notes on behalf of their respective clients during the Exchange Offers.

From time to time in the ordinary course of business, the Dealer Managers and their respective affiliates have provided the Existing Notes Issuer and the Obligors and their respective affiliates with investment banking and other services for customary compensation. In addition, in the ordinary course of their business activities, the Dealer Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Existing Notes Issuer, the Obligors and their respective affiliates. The Dealer Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Financial Advisor

We have retained Seabury Capital to act as Financial Advisor in connection with the Exchange Offers and the Solicitations. We will pay the Financial Advisor a customary fee for its services as Financial Advisor. We have agreed to indemnify the Financial Advisor against certain liabilities. The Financial Advisor assumes no responsibility for the accuracy or completeness of the information contained or incorporated herein (financial, legal or otherwise). The Financial Advisor does not take any position or make any recommendation as to whether or not Eligible Holders should participate in the Exchange Offers and the Solicitations.

Other Fees and Expenses

The Existing Notes Issuer will bear the expenses of soliciting tenders of the Existing Notes and Consents to the Proposed Amendments. The principal offer and solicitation is being made by electronic communications. Additional offers or solicitations may, however, be made by e-mail, mail, facsimile transmission, telephone or in person by the Dealer Managers and the Information Agent, as well as by the officers and other employees of the Existing Notes Issuer and the Obligors and those of their respective affiliates.

Holders of Existing Notes will not be required to pay any fee or commission to the Dealer Managers or the Financial Advisor in connection with the tender of Existing Notes or the delivery of Consents. If, however, a holder of Existing Notes tenders its Existing Notes or delivers Consents through its broker, dealer, commercial bank, trust company or other institution, that holder may be required to pay brokerage fees or commissions.

USE OF PROCEEDS

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 PROPOSED AMENDMENTS TO THE EXISTING NOTES INDENTURES

Simultaneously with the Exchange Offers, the Existing Notes Issuer is soliciting (i) from Eligible Holders of the Existing 2024 Notes, the 2024 Consents to effect the 2024 Proposed Amendments to the 2024 Notes Indenture, and (ii) from Eligible Holders of the Existing 2026 Notes, the 2026 Consents to effect the 2026 Proposed Amendments to the 2026 Notes Indenture.

The following summarizes the Proposed Amendments for which Consents are being sought pursuant to the Solicitations with respect to each of the Existing Notes Indentures. The summary of the provisions of the Existing Notes Indentures affected by the Proposed Amendments set forth below does not purport to be complete, and is qualified in its entirety by reference to the full and complete terms in the Existing Notes Indentures, copies of which are available upon request without charge from the Information Agent or the Existing Notes Issuer. The Proposed Amendments with respect to each Existing Notes Indenture would eliminate substantially all of the restrictive covenants, events of default and related provisions contained in such Existing Notes Indenture.

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.

The Proposed Amendments constitute a single proposal with respect to each Existing Notes Indenture, and a tendering and consenting Eligible Holder must consent to the Proposed Amendments as an entirety with respect to the applicable Existing Notes Indenture and may not consent selectively with respect to any of the Proposed Amendments.

If the Proposed Amendments become effective with respect to an Existing Notes Indenture, the holders of any untendered Existing Notes of the applicable series will be bound thereby. 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.

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. The Existing Notes Issuer is not soliciting and will not accept consents from Eligible Holders that are not tendering their Existing Notes pursuant to the Tender Offers and the Solicitations. Neither the Existing Notes 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.

The Proposed Amendments will, in substance, eliminate the following provisions of each Existing Notes Indenture (except as otherwise indicated below):

- Section 4.04 (Maintenance of Corporate Existence);
- Section 4.05 (Payment of Taxes and Claims);
- Section 4.07 (Reporting Requirements);
- Section 4.08 (Available Information);
- Section 4.09 (Limitations on the Existing Notes Issuer);
- Section 4.10 (Limitations on Transactions with Affiliates);

- Section 4.11 of the 2024 Notes Indenture and Section 4.12 of the 2026 Notes Indenture (Repurchase of Notes upon a Change of Control);
- Section 4.11 of the 2026 Notes Indenture (Limitations on Dividend Payments);
- the following words within Section 5.01(i) of Article 5 (Consolidation, Merger, Conveyance, Transfer or Lease): "*shall be a Person organized and existing under the laws of Brazil or the United States, or any other country (or political subdivision thereof) that is a member country of the European Union or of the Organisation for Economic Co-operation and Development on the date of this Indenture, and such Person*";
- Section 5.01(iii) of Article 5 (Consolidation, Merger, Conveyance, Transfer or Lease);
- Section 6.01(c) (the event of default relating to failure to comply with covenants or agreements under the relevant Existing Notes or the relevant Existing Notes Indenture);
- Section 6.01(d) (the event of default relating to default under certain debt instruments);
- Section 6.01(e) (the event of default relating to non-payment of final judgments or decrees);
- Section 6.01(f) (the event of default relating to involuntary bankruptcy events);
- Section 6.01(g) (the event of default relating to voluntary bankruptcy events);
- Section 6.01(h) (the event of default relating to analogous involuntary or voluntary bankruptcy events); and
- Section 6.01(j) (the event of default if Azul ceases to own the outstanding share capital of the Existing Notes Issuer).

The Proposed Amendments will also delete those definitions from each Existing Notes Indenture that are used only in provisions that would be eliminated as a result of the elimination of the foregoing provisions. Any and all references in each Existing Notes Indenture to the deleted sections or provisions referred to above will also be deleted in their entirety.

Any provision contained in the Existing Notes of a series that relates to any provision of the applicable Existing Notes Indenture, as amended, shall likewise be amended so that any such provision contained in the Existing Notes of such series will conform to and be consistent with any provision of the applicable Existing Notes Indenture, as amended.

If the Existing Notes Issuer consummates a Solicitation with respect to only one series of Existing Notes and only the Proposed Amendments with respect to such series go into effect, then the Proposed Amendments with respect to such other series will not go into effect and the remaining Existing Notes of such other series will still be entitled to the benefits and protections of the covenants, events of default and other provisions contained in the Existing Notes Indenture with respect to such series.

We have entered into the Transaction Support Agreement dated June 13, 2023, between the Obligors and 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 Offering Memorandum. The consent of Supporting Noteholders suffices to approve the Proposed Amendments in respect of the Existing Notes of each series.

CAPITALIZATION

The following table sets forth our consolidated capitalization (calculated as the sum of current and non-current loans and financing, current and non-current leases and total equity) as of March 31, 2023, (i) on an actual basis, and (ii) as adjusted to give effect to the Exchange Offers and the Solicitations, as described below.

The information presented below in the column marked "Actual" is derived from our unaudited interim condensed consolidated financial statements as of March 31, 2023. This table should be read in conjunction with our financial statements and the related notes included in our First Quarter 2023 Form 6-K, which are incorporated by reference into this Offering Memorandum.

The information presented below in the column marked "As adjusted" is as adjusted to give effect to the Exchange Offers and the Solicitations, assuming that Eligible Holders of 100% of the aggregate principal amount of the Existing Notes validly tender (and do not validly withdraw) their Existing Notes and deliver related Consents on or prior to the Early Participation Deadline, and that the New Notes Issuer issues US$400.0 million aggregate principal amount of 2029 Notes and US$600.0 million aggregate principal amount of New 2030 Notes in exchange for the Existing Notes. The adjustments are presented without giving effect to the deduction of fees and expenses incurred in connection with the Exchange Offers and the Solicitations.

	Actual		As adjusted[1]	
	US$[2]	**R$**	**US$**[2]	**R$**
		(in thousands)		
Current loans and financing:	283,805	1,441,842	264,696	1,344,762
– Current portion of Existing Notes.....	19,109	97,080	—	—
– Current portion of New Notes	—	—	—	—
– Other current loans and financing[3] ...	264,696	1,344,762	264,696	1,344,762
Current leases[4]	901,251	4,578,717	901,251	4,578,717
Non-current loans and financing:	1,417,772	7,202,848	1,436,881	7,299,928
– Non-current portion of Existing Notes	993,828	5,049,044	—	—
– Non-current portion of New Notes	—	—	1,012,937	5,146,124
– Other non-current loans and financing[3].....	423,944	2,153,804	423,944	2,153,804
Non-current leases [4].....	1,952,872	9,921,373	1,952,872	9,921,373
Total equity	(3,882,913)	(19,726,752)	(3,882,913)	(19,726,752)
Total capitalization[5].....	**672,787**	**3,418,028**	**672,787**	**3,418,028**

(1) Adjusted to give effect to the Exchange Offers and the Solicitations, assuming that Eligible Holders of 100% of the aggregate principal amount of the Existing Notes validly tender (and do not validly withdraw) their Existing Notes and deliver related Consents on or prior to the Early Participation Deadline, and that the New Notes Issuer issues US$400.0 million aggregate principal amount of 2029 Notes and US$600.0 million aggregate principal amount of New 2030 Notes in exchange for the Existing Notes. The adjustments are presented without giving effect to the deduction of fees and expenses incurred in connection with the Exchange Offers and the Solicitations.

(2) For convenience purposes only, the amounts in Brazilian *reais* for the year ended on March 31, 2023 have been translated to U.S. dollars using the rate R$5.0804 per US$1.00, which was the commercial selling rate for U.S. dollars as of March 31, 2023, as reported by the Central Bank. These translations should not be considered representations that any such Brazilian *reais* amounts represent, have been or could be converted into U.S. dollars at that or at any other exchange rate. See "Presentation of Financial and Certain Other Information—Exchange Rates."

(3) Other loans and financing includes R$1,523.8 million (equivalent to US$299.9 million) in aggregate principal amount of debt outstanding under the Convertible Debentures as of March 31, 2023. With effect from the first Settlement Date, the obligations under the convertible bonds will constitute First Priority Secured Obligations and will be secured by the Shared Collateral on a "first out" basis in accordance with the Intercreditor Agreement.

(4) As described elsewhere in this Offering Memorandum, certain lease obligations that are owed to certain lessors under aircraft leases for whom AerCap Administrative Services Limited acts as Representative, which, with effect from the first Settlement Date, will constitute First Priority Secured Obligations and will be secured by the Shared Collateral on a "first out" basis in accordance with the Intercreditor Agreement.

(5) Total capitalization is calculated as the sum of current and non-current loans and financing, current and non-current leases and total equity.

Except as described above and under "Summary—Recent Developments—Issuance of Non-Convertible Debentures," there has not been any material change to our total capitalization since March 31, 2023.

BUSINESS

Business Overview

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. As the sole airline on 84% of our routes, we are the leading airline in 133 Brazilian cities in terms of departures in the year ended December 31, 2022, and carried approximately 27 million passengers in year ended December 31, 2022.

In addition to having an extensive network, optimized fleet, and a high-quality product, we also have strategic revenue-generating business units including our wholly-owned loyalty program TudoAzul, our logistics solutions business, Azul Cargo, and our travel package business, Azul Viagens.

Brazil is geographically similar in size to the continental United States and is currently the sixth largest market for domestic airline passengers in the world. Since 2008, the number of domestic airline passengers carried in Brazil has increased by 90% to 95 million in 2019. In 2020, as the COVID-19 pandemic affected the aviation industry, the number of domestic airline passengers in Brazil decreased 52.4% compared to 2019, to 45.2 million passengers, according to ANAC, of which Azul was responsible for 31.1%. By the end of 2022, the number of domestic airline passengers in Brazil had already reached 87% of the total number of domestic airline passengers transported in the pre-pandemic period of 2019, indicating that the aviation sector is on recovery. Brazil's air travel market remains significantly under penetrated and in 2019 was expected to double by 2029 according to the Brazilian Association of Airline Companies (*Associação Brasileira das Empresas Aéreas*), in particular across states in the North, Northeast and Midwest regions of Brazil, which have exhibited greater growth than states in the Southeast and South regions of Brazil.

We have the most extensive route network in Brazil, serving 158 domestic destinations, about twice as many as our main competitors Gol and LATAM, which served 58 and 53 destinations, respectively, as of December 31, 2022. We are the only provider of scheduled service to 87 of our domestic destinations and hold the leading position in seven out of the 10 largest domestic airports in which we operate in terms of departures, as of December 31, 2022. Through our network, we connect travelers to destinations exclusively served by us from our three hubs, which cater to the São Paulo, Belo Horizonte and Recife markets, all among the largest metropolitan areas in the country. Notably, we are the leading airline at Viracopos airport, one of the principal airports in the São Paulo area and the largest domestic hub in South America in terms of non-stop destinations served, with a 96% share of its 158 domestic daily departures as of December 31, 2022.

We operate a young, fuel-efficient fleet that we believe is better tailored for Brazil than those of our main competitors, as it allows us to serve markets with different demographics, ranging from large capitals to smaller cities. As of December 31, 2022, our operating fleet in service totaled 177 aircraft (excluding Pilatus aircraft, which are only used to transport spare parts) with an average age of 7.1 years (excluding Cessna aircraft), which is significantly younger than that of our main competitors. We believe that our diversified fleet is optimized to efficiently match capacity to demand. This enables us to offer superior connectivity as well as more convenient and frequent non-stop service to more airports than our main competitors, which exclusively operate larger aircraft.

A key driver of our profitability is our management team's extensive experience in implementing a disciplined, low-cost operating model. Our optimized fleet yields lower trip costs than our main competitor. With the recovery and the increase in the number of next-generation Airbus A320neos and Embraer E2s in our fleet in the coming years, we expect to maintain our market-leading low trip cost advantage. In addition, our FTEs per aircraft were the lowest in Brazil at 77 FTEs as of December 31, 2022. We have built a strong brand by offering what we believe is a superior travel experience, based on a culture of customer service provided by a highly-motivated and well-trained team of crewmembers. Our service features include advance seat assignment, leather seats, individual entertainment screens with free live television at every seat in all our Embraer jets and most of our A320neos, extensive legroom with a pitch of 30 inches or more, complimentary beverage and snack services, and free bus service to key airports we serve. In addition, we offer Wi-Fi service in some of our A320neo and E2 fleet and are currently installing it in additional aircraft. As a result of our strong focus on customer service, our NPS (Net Promoter Score) average in 2022 totaled 57.5, even with the impact on courtesy and lack of empathy when crewmembers wear masks and during the Omicron wave when onboard services were suspended by the health agency for a period of time. In

October and November 2022, our NPS reached 64.2 and 62.3, significantly higher than our competitors in Brazil. In 2020, Azul was awarded best airline in the world by TripAdvisor, the first time a Brazilian Flag Carrier ranked number one in the Traveler's Choice Awards.

We continue to invest in and expand our loyalty program, the TudoAzul Program, which had more than 15 million members as of December 31, 2022, compared to 12 million as of December 31, 2019, prior to the COVID-19 pandemic. The TudoAzul Program's gross billings increased approximately 70% from the year ended December 31, 2019, prior to the pandemic, to the year ended December 31, 2022. The TudoAzul Program has been the fastest growing loyalty program in terms of members in Brazil for the past eight years compared to "Smiles" (the loyalty program of Gol) and "LATAM Pass" (the loyalty program of LATAM), according to publicly available information of such competitors, including disclosure filed with or furnished to the SEC and information available on their respective websites. As of December 31, 2022, TudoAzul had 73 redemption partners. Moreover, in the fourth quarter of 2020, we launched the Azul Itaucard Infinite, the best positioned co-branded credit card in the Itaucard portfolio and also elected the "Best credit card from Brazilian airlines" by Melhores Destinos. Given our network strength and the expected growth of passenger air travel, credit card penetration and usage and customer loyalty in Brazil, we believe that TudoAzul is a key strategic asset for us.

Other revenue streams are expected to be mostly driven by our logistics solutions business, Azul Cargo. In 2022, Azul Cargo's revenue grew 10.5%, reaching R$1.4 billion mostly driven by our increase in cargo volume transported and our expanding presence in the e-commerce segment. In the three months ended March 31, 2023, other revenues were R$308.5 million, a 11.9% decrease compared to the three months ended March 31, 2022, as we redeployed widebody aircraft from dedicated cargo operations to passenger service to take advantage of the faster-than-expected recovery in international travel. For the three months ended March 31, 2023, we had a 33% share of cargo volume transported in Brazil, resulting from our unique network and the capillarity support it provides to our cargo business.

In addition, we intend to continue growing our ancillary services and other revenue streams, including Azul Viagens, our travel package business. Through Azul Viagens, we offer customers travel experiences with benefits and services. Net revenues for Azul Viagens increased 270% from the year ended December 31, 2019, prior to the pandemic, to the year ended December 31, 2022, with bookings of approximately R$1.2 billion in the year ended December 31, 2022. In the year ended December 31, 2022, we operated approximately 2,000 dedicated Azul Viagens flights. More than half of Azul Viagens dedicated flights is on routes not typically flown by Azul, supplementing utilization on weekends.

In 2022, our revenues reached an all-time record, and we generated total revenue of R$15.9 billion and a net loss of R$722.4 million. For the three months ended March 31, 2023, our revenues reached once again an all-time record, and we generated total revenue of R$4.5 billion compared to R$3.2 billion in the same period last year, an increase of 40.3%.

Our Competitive Strengths

We believe the following business strengths allow us to compete successfully:

Largest Network in Brazil

We have the largest network 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. We have grown our domestic market share in terms of RPKs, from 18.6% in the year ended December 31, 2018, to 23.5% in the year ended December 31, 2019, and to 29.0% in the year ended December 31, 2022, according to ANAC.

Our connectivity at large hubs allows us to consolidate traffic, serving larger and medium-sized markets as well as smaller cities that do not generate sufficient demand for point-to-point service. In particular, for the year ended December 31, 2022, more than 90% of our competitors' total ASKs are from or to three major Brazilian cities—São Paulo, Rio de Janeiro and Brasília—as compared to 24% for Azul, which we believe shows that we Azul possess far greater diversification within our state network as compared to regional competitors.

We believe that our extensive network coverage allows us to connect more passengers than our competitors, who serve significantly fewer destinations. As of December 31, 2022, we served 158 destinations in Brazil, compared to 58 for Gol and 53 for LATAM. In addition, we were market leader in 94% of our routes as of December 31, 2022. By comparison, as of December 31, 2022, Gol and LATAM were leading carriers in 44 cities in Brazil, each. In addition, the routes in which we hold a leadership position represent approximately 94% of our total ASKs and 83% of our total passenger revenue.

Our Optimized Fleet Enables Us to Efficiently Serve Our Target Markets

Our fleet strategy is based on optimizing the type of aircraft for the different markets we serve. Our diversified fleet of aircraft with turboprop propulsion manufactured by Avions de Transport Régional G.I.E. ("ATR"), narrow-body jets manufactured by Embraer S.A. ("E-Jets") and aircraft manufactured by Airbus S.A.S. ("Airbus") enables us to serve markets that we believe our main competitors, who only fly one type of larger narrow-body aircraft, cannot serve profitably. We believe our current fleet of aircraft allows us to match capacity to demand, achieve high load factors, provide greater convenience and frequency, and serve low- and medium-density routes and markets in Brazil that are not served by our main competitors. Our domestic fleet consists of Embraer E-Jets which seat up to 136 passengers, fuel-efficient ATR aircraft which seat 70 passengers, next-generation Airbus A320neos which seat 174 passengers and Cessna Caravans which seat 9 passengers, while all the narrow-body aircraft used by Gol and LATAM in Brazil have between 138 and 220 seats. We also operate Airbus A330s and A350s to serve international markets, E-Jets converted to dedicated freighters and Boeing 737 freighter aircraft to support our cargo business.

Our fleet plan focuses on maintaining a trip cost advantage relative to our main competitors while also providing us with flexibility for growth into new markets both domestically and internationally. Based on our current firm orders, between 2024 and 2025, we expect to add approximately 32 next-generation E-195 E2 aircraft, replacing older generation aircraft. These new generation aircraft are more fuel-efficient than older generation aircraft, and therefore we expect that our fleet plan will allow us to maintain market-leading trip costs and to reduce our total operating cost divided by available seat kilometers ("CASK"), both in absolute terms and relative to our main competitors.

Industry-Leading Passenger Revenue per ASKs

We utilize a proprietary yield management system that is key to our strategy of optimizing yield through dynamic fare segmentation and demand stimulation. We target both business travelers, to whom we offer convenient flight options, and cost-conscious leisure travelers, to whom we offer low fares to stimulate air travel and to encourage advanced purchases. This segmentation model has enabled us to achieve a market-leading PRASK of 30.41 centavos in the year ended December 31, 2019. In addition, in 2019, our PRASK, which we calculate as passenger revenue *divided by* ASKs, represented a 18.7% premium compared to Gol. We believe our superior network and product offering allows us to attract high-yield and frequent business travelers. Our PRASK was impacted by the COVID-19 pandemic, reaching R$24.95 *centavos* in the year ended December 31, 2020. Our PRASK reached R$28.07 *centavos* in 2021, R$36.88 *centavos* in 2022, and R$38.61 *centavos* in the three-month period ended March 31, 2023, a record level, which is further evidence of the demand recovery and the sustainable competitive advantages of our business.

According to the Brazilian Corporate Agencies Association (*Associação Brasileira de Agências Corporativas*), we held a 32.9% share in terms of Brazilian business-focused travel agency revenue.

Most Efficient Cost Structure in the Brazilian Market

We have leveraged our management team's experience by implementing a disciplined, low-cost operating model to achieve our operational efficiencies. We believe we have achieved these operational efficiencies primarily through:

- optimized aircraft for markets and routes served;
- low cost of sales, distribution and marketing through direct-to-consumer marketing, e-commerce and associated use of social networking tools;
- lower costs due to single-class cabin configuration for our domestic flights;

- operation of a modern fleet with better fuel efficiency and lower maintenance costs than previous generation aircraft;
- innovative and beneficial financial arrangements for our aircraft, as a result of being one of the largest customers for Embraer and ATR aircraft;
- investment in check-in technology to increase operating efficiencies; and
- creation of a company-wide business culture focused on driving down costs.

As a result, we have achieved lower trip costs than our main competitor. In the year ended December 31, 2020, our costs were significantly impacted by the COVID-19 pandemic and our average trip cost was R$45,897 and in 2021, the average trip cost reduced 12%, to R$40,508, as compared to 2020. In the year ended December 31, 2021 and December 31, 2022 our average trip cost was 52% and 33% lower than that of Gol, based on data from Gol public disclosures. Our FTEs per aircraft are the lowest in Brazil at 77 as of December 31, 2022 and 78 as of December 31, 2021, compared to 128 for Gol as of December 31, 2022 and 166 for Gol as of December 31, 2021, based on data from Gol public disclosures.

We have a robust and scalable operating platform that features advanced technology such as ticketless reservations, an Oracle financial system, a mobile app, and electronic check-in kiosks at our main destination airports. We believe that our scalable platform provides superior reliability and safety and will generate economies of scale as we continue to expand.

Strategic Global Partnerships

We have established long-term strategic partnerships with United Airlines Inc. ("United") and TAP – Transportes Aéreos Portugueses, SGPS, S.A. ("TAP"). In 2015, United, acting through a subsidiary, acquired shares representing approximately a 5% economic interest in our company for US$100 million. In 2018, United acquired additional shares and increased its economic interest in our company to 8.0%. Our alliance with United has enhanced the reach of our mutual networks and created additional connecting traffic, as both we and United began selling each other's flights on our websites through a codeshare agreement. This codeshare agreement also provides customers flying on both airlines with a seamless reservations and ticketing process, including boarding pass and baggage check-in to their final destination, and we are evaluating possible additional cooperation with United.

As part of the TAP's privatization process in 2016, a consortium of private investors (including our principal shareholder) acquired a stake in TAP, and we invested €90 million in exchange for Tranche A 7.5% bonds due March 2026 issued by TAP convertible into a 41.25% economic interest in TAP.

On March 14, 2019, we acquired a fully diluted economic stake of 6.1% in TAP from Hainan Airlines (Hong Kong) Co. Limited for a purchase price of US$25 million.

On August 10, 2020, as informed at TAP's extraordinary shareholders meeting, due to the crisis caused by the COVID-19 pandemic, the Portuguese government negotiated an aid package of €1.2 billion for TAP with the European Commission, conditioned upon, among other factors, the elimination of the right to convert senior bonds into equity, so that they would not be diluted by the Portuguese government's financial contribution.

On October 2, 2020, Azul successfully concluded the sale of its equity participation in TAP as part of the restructuring effort led by the Portuguese government, raising approximately R$70 million in cash.

As a result of our existing codeshare agreements with United and TAP, our customers have access to more than 200 additional destinations worldwide. In addition, we believe that our strategic partnerships with these airlines provide our TudoAzul members with a broad range of attractive redemption options.

On February 6, 2020, we entered into a commercial joint venture agreement with TAP. Through this agreement, we intend to bring more connectivity to the Brazilian domestic network and access to the European market, providing a more streamlined travel experience to customers flying between Brazil and Europe. The transaction was approved by our shareholders on December 9, 2019 and the closing of the transaction remains subject to regulatory approvals. We have made progress on certain governance matters relating to the joint venture;

however, given the uncertainties around the COVID-19 pandemic and its effects over our industry, we have put on hold certain aspects of the implementation of the joint venture, including with respect to obtaining the necessary regulatory approvals.

High-Quality Customer Experience Through Product and Service-Focused Culture

We believe we provide a high-quality, differentiated travel experience and have a strong culture focused on customer service. Our crewmembers are trained to be service-oriented, focusing on providing the customer with a travel experience that we believe is unique among Brazilian airlines. We provide extensive training for our crewmembers that emphasizes the importance of both safety and customer service. We strive to hold our employees accountable to maintain the quality of our crew and customer service.

Our service features include advance seat assignment, leather seats, individual entertainment screens with free live television at every seat in all our jets, extensive legroom with a pitch of 30 inches or more, complimentary beverage and snack service, free bus service to key airports we serve (including between the city of São Paulo and Viracopos airport) and a fleet younger than that of our competitors.

We focus on meeting our customers' needs and, in 2022, Azul was elected the most on-time airline in the world. We are the first Brazilian airline to achieve this recognition, awarded by Cirium, the world's leading reference for operational data in the airline industry. An airline is considered punctual when its flights land up to 14 minutes after the planned arrival time, and Azul has been recognized for meeting this goal in most of its almost 1,000 daily flights. We are very proud to show the world the excellence of Brazilian work.

Well-Recognized Brand

We believe we have been successful in building a strong brand by using innovative marketing and advertising techniques with low expenditures that focus on social networking tools to generate word-of-mouth recognition of our high-quality service. As a result of our strong focus on customer service, surveys that we have conducted indicate that, as of December 31, 2022, 72% of our customers would recommend or strongly recommend Azul to a friend or relative. In addition, we use the NPS (Net Promoter Score) metric to measure customer satisfaction and in 2022, our average score totaled 57.5. The strength of our brand has been recognized in the receipt of many industry awards, including "*World's Best Airline*" by TripAdvisor in 2020.

In addition, as a result of our strong brand awareness and focus on customer service, our TudoAzul loyalty program had approximately 15.0 million members as of December 31, 2022 and has been recognized with the following awards:

- named "*Best Loyalty Program in Brazil*" from 2016 to 2020 by Melhores Destinos;
- named "*The Loyalty Program with the Best Fares in Brazil in 2016-2017*" by Melhores Destinos; and
- recognized as having "*The Most Innovative Co-Branded Credit Card*" at the 2015 Loyalty Awards Event presented by Flight Global, a renowned website recognized by the global aviation community as a reliable source of news, data and expertise relating to the aviation and aerospace industries.

Experienced Management Team

We believe we benefit from our highly knowledgeable and experienced management team. Our senior management, which has senior airline experience both in Brazil and in the United States, includes:

- Our Chairman and Founder David Gary Neeleman, a dual Brazilian and U.S. citizen, who has founded five airlines in three different countries, including JetBlue Airways.
- Our Chief Executive Officer, John Peter Rodgerson, who previously served as our Chief Financial Officer and our Investor Relations Officer, where he was responsible for implementing our financial strategy and cost structure since our inception. Mr. Rodgerson also served as Director of Planning and Financial Analysis at JetBlue Airways for five years, and as President of our main operating subsidiary, Azul Linhas, from August 2019 to October 2022.

- Our Chief Financial Officer and Investor Relations Officer, Alexandre Wagner Malfitani, who previously served as the Head of our TudoAzul loyalty program, and our Director of Finance and Treasurer. Before joining Azul, Mr. Malfitani held the position of Managing Director of Treasury at United Airlines, having also worked in the finance industry, including as a fund manager at Deutsche Bank and as a trader at Credit Agricole Indosuez.
- Our Chief Revenue Officer, Abhi Manoj Shah, who has nearly 20 years of experience in the aviation industry and has previously held executive positions at JetBlue Airways and Boeing. He was responsible for developing our yield management, network planning and revenue structure. Mr. Shah also serves as President of our main operating subsidiary, Azul Linhas, since October 2022.
- Our Chief Technical Officer, Antônio Flávio Torres Martins Costa, who has been part of the Azul founding team since inception and has nearly half a century of experience in the airline industry, having served as Chief Technical and Operations Officer at Pluna S.A. and OceanAir, and as Chief Technical Officer at Varig.

Most of our senior management team has worked together for almost 10 years and has been with us since our launch. All non-Brazilian individuals on the team are residents in Barueri, State of São Paulo, with permanent work visas. In addition to Mr. Neeleman, all of our principal officers are also shareholders in our company, and all are motivated by participation in our stock-based incentive plans, which we believe aligns shareholders' and management's interests. Our management team has focused on establishing a successful working environment and employee culture. We believe the experience and commitment of our senior management team have been a critical component in our growth, as well as in the continuing enhancement of our operating and financial performance.

To align senior management interests with our results of operations, we provide a leadership incentive plan based on the achievement of predefined company performance targets including operating margin, customer satisfaction, crewmember satisfaction, and on-time performance. We also have established a stock option plan for our leadership that vests over a four-year period.

CAYMAN ISLANDS GOVERNANCE

IP Co Governance

IP Co will, prior to the first Settlement Date, be an exempted company incorporated with limited liability in the Cayman Islands. IP HoldCo will own 100% of the issued ordinary shares in the capital of IP Co following the consummation of the Contribution Transactions. IP Co will also issue a single special share to the "Special Shareholder," which will grant a proxy to vote such share to the Collateral Agents, entitling the Special Shareholder to certain limited voting rights as described herein.

IP Co's Amended and Restated Memorandum and Articles of Association (the "IP Co Constitutional Documents") contain certain provisions intended to have IP Co operate as a bankruptcy remote special purpose entity, including: (i) the requirement that IP Co must have at least one director who meets the Independent Director Criteria (as defined herein), (ii) restrictions on the nature of its businesses and operations, including the requirement to act at all times in accordance with the special purpose bankruptcy remoteness provisions contained in the IP Co Constitutional Documents, and (iii) restrictions on its ability to voluntarily enter winding up proceedings (among other things) in any jurisdiction, without the affirmative vote of the IP Co Special Shareholder and the IP Co Independent Director.

So long as any Secured Obligations are outstanding, IP Co will be managed by a total of at least four directors (each, a "IP Co Director," and collectively, the "IP Co Board"), at least one of which must satisfy certain requirements, including independence from the IP Parties, Azul and the Collateral Agents (the "Independent Director Criteria") (such independent director being the "IP Co Independent Director"). The IP Co Independent Director may not be voluntarily removed except for cause, and a replacement IP Co Independent Director must be appointed within seven business days with a replacement who meets the Independent Director Criteria. In the event of a vacancy in the office of an IP Co Independent Director due to death, bankruptcy, disability or resignation, a replacement who meets the Independent Director Criteria will be appointed within 30 days of such vacancy (or seven business days if such vacancy results in there being no IP Co Independent Director). In either case, the affirmative consent of the IP Co Independent Director and the Special Shareholder is required prior to the taking of certain specified actions, including the commencement of voluntary winding up proceedings.

IP HoldCo Governance

IP HoldCo will, prior to the first Settlement Date, be an exempted company with limited liability incorporated in the Cayman Islands. The Parent Guarantor, Azul Linhas, IntelAzul and Azul Viagens will own 100% of the issued ordinary shares in the capital of IP HoldCo following the consummation of the Contribution Transactions. IP HoldCo will own 100% of the issued ordinary shares in the capital of IP Co following the consummation of the Contribution Transactions. IP HoldCo will also issue a single special share to the Special Shareholder, which will grant a proxy to vote such share to the U.S. Collateral Agent, entitling the Special Shareholder to certain limited voting rights as described herein.

IP HoldCo's Amended and Restated Memorandum and Articles of Association (the "IP HoldCo Constitutional Documents") contain certain provisions intended to have each of them operate as bankruptcy remote special purpose entities, including: (i) the requirement that each of IP HoldCo have one Independent Director (as defined herein), (ii) restrictions on the nature of IP HoldCo's businesses and operations, including the requirement to act at all times in accordance with the special purpose bankruptcy remoteness provisions contained in the respective IP HoldCo Constitutional Documents, and (iii) restrictions on the ability to voluntarily enter bankruptcy or winding up (among other things) in any jurisdiction, without the affirmative vote of the Special Shareholder and their respective Independent Director.

So long as any Secured Obligations are outstanding, IP HoldCo will be managed by four directors, one of which must satisfy the Independent Director Criteria (such independent directors being the "IP HoldCo Independent Director"). The Independent Director may not be voluntarily removed except for cause, and such replacement Independent Director must be appointed within seven business days. In the event of a vacancy in the office of an Independent Director due to death, bankruptcy, disability or resignation, a replacement who meets the Independent Director Criteria will be appointed within 30 days of such vacancy. In either case, for each of IP HoldCo the

affirmative consent of the applicable Independent Director and Special Shareholder is required prior to the taking of certain specified actions, including the commencement of voluntary bankruptcy or winding up proceedings.

Cayman Islands Government Regulation

Mail Handling

Mail addressed to IP Co or IP HoldCo and received at its registered office will be forwarded unopened to the forwarding address supplied by Azul to be dealt with. Neither of the IP Parties nor their respective directors, officers, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular, directors of IP Co or IP HoldCo will not receive mail directly that is sent to them at such entity's registered office address, but may be forwarded mail which is addressed to them by name (as opposed to mail which is addressed to IP Co or IP HoldCo only).

Beneficial Ownership Regime

The IP Parties are indirect wholly-owned subsidiaries of Azul, a company listed on The New York Stock Exchange (which is an "approved exchange") and, accordingly, does not fall within the scope of the primary obligations under Part XVIIA of the Companies Act (as revised) of the Cayman Islands. The IP Parties are therefore not required to maintain a beneficial ownership register.

Economic Substance

The Cayman Islands has enacted the ES Act. Under the ES Act, a "relevant entity" conducting a "relevant activity" is required to comply with certain economic substance requirements. Legal entities domiciled or registered in the Cayman Islands, such as the IP Parties, are generally considered to be "relevant entities". An entity will be conducting the "relevant activity" of "intellectual property business" if it is engaged in "the business of holding, exploiting or receiving income from intellectual property assets". As Cayman Islands companies, the IP Parties shall have ES compliance obligations, which will include the obligation to file annual notifications, which need to state whether the IP Parties are carrying out any relevant activities. If the IP Parties are conducting relevant activities, the IP Parties will also need to submit an ES return to confirm whether the ES test has been satisfied as set out in the ES Act. It is anticipated that the ES Act will evolve and be subject to further clarification and amendments. We may need to allocate additional resources to keep updated with these developments, and may have to make changes to our operations in order to comply with all requirements under the ES Act. If income is received in relation to a relevant activity, and the IP Parties have not implemented substance in the Cayman Islands, the IP Parties could fail the ES test set out in the ES Act. Failure to satisfy these requirements may subject the IP Parties to penalties under the ES Act. The Cayman Islands Tax Information Authority ("TIA") shall impose a penalty of CI$10,000 (approximately US$12,000) on a relevant entity receiving income in relation to a relevant activity for failing to satisfy the ES test, and CI$100,000 (approximately US$120,000) if the ES test is not satisfied in the subsequent financial year after the initial notice of failure. Following failure after two consecutive years the Grand Court of the Cayman Islands may make an order requiring the relevant entity to take specified action to satisfy the ES test or ordering it that it is defunct or be struck off. Pursuant to the Companies Act, any property vested in or belonging to a company which has been struck off shall vest in the Cayman Islands government.

DESCRIPTION OF CERTAIN MATERIAL TRANSACTION AGREEMENTS

Intercompany Loan Agreements

On or prior to the first Settlement Date, either (i) the Existing Notes Issuer, as previous lender, the New Notes Issuer, as new lender, and Azul Linhas, as borrower, will enter into amendments to the Intercompany Loan Agreements or (ii) the New Notes Issuer, as lender, and Azul Linhas as borrower, will enter into one or more Intercompany Loan Agreements. The principal amount outstanding under each Intercompany Loan Agreement will be payable on the maturity date of the New Notes of the relevant series. The principal amount outstanding under a Intercompany Loan Agreement may also be prepaid by Azul Linhas in certain circumstances. The Intercompany Loan Agreements are (i) subordinate and junior in right of payment to (and not subject to setoff, netting or recoupment prior to) the prior payment in full of all Secured Debt, and (ii) not subordinate or junior in right of payment to, and rank *pari passu* with, any other indebtedness or payment obligations of Azul Linhas.

Management Agreement

On the Closing Date, a management agreement (the "Management Agreement") will be entered into among IP Co, IP HoldCo, Azul Linhas and the U.S. Collateral Agent pursuant to which Azul Linhas will perform certain services for IP Co and IP HoldCo to manage the Contributed Intellectual Property (Azul Linhas, in such capacity, the "Manager").

As the Manager, Azul Linhas will provide certain services to manage the Contributed Intellectual Property as an independent contractor of IP Co and IP HoldCo, which services will relate to the ongoing maintenance, prosecution and enforcement of the Contributed Intellectual Property on their behalf (the "Services"). Each of IP Co and IP HoldCo will execute powers of attorney in connection with the Management Agreement pursuant to which the Manager can and will take actions on their behalf, subject to the limitations set forth in the Management Agreement. The Manager will be required to pay from its own funds all expenses it may incur in performing its obligations under the Management Agreement.

The Services will specifically include (a) taking certain actions on behalf of IP Co (or IP HoldCo, as applicable) as licensor under the applicable IP License, (b) exercising IP Co's (or IP HoldCo's, as applicable) rights under the IP Licenses with respect to quality control of trademarks licensed thereunder, (c) filing and prosecuting applications to register Contributed Intellectual Property and maintaining registrations for the Contributed Intellectual Property, (d) enforcing the Contributed Intellectual Property against third parties, (e) defending the Contributed Intellectual Property against challenges to its validity or enforceability and (f) performing other services relating to the management of the Contributed Intellectual Property as may be specified in the Management Agreement.

The Manager is authorized to, and agrees that it will, perform the Services with respect to the Contributed Intellectual Property (a) in accordance with the standards imposed by the IP Licenses and (b) otherwise in accordance with standards that are at least equal to the performance and quality control standards of the Parent Guarantor and its Subsidiaries with respect to the applicable Contributed Intellectual Property as of the date of the Management Agreement and in a commercially reasonable manner taken as a whole (the "Management Standard"). The Manager, on behalf of IP Co and IP HoldCo, will have full power and authority to do and take, or refrain from doing or taking, any actions in connection with performing the Services described under the Management Agreement that the Manager may deem reasonably necessary or desirable (or unnecessary or undesirable, as applicable). The Manager will acknowledge and agree that each IP Party has the right and duty to control the quality of the goods and services offered under such IP Party's trademarks included in the Contributed Intellectual Property owned by such IP Party, and the manner in which such trademarks are used, in order to maintain the validity and enforceability of, and its ownership of, such trademarks, in each case, in accordance with the terms and conditions of the IP Licenses. Subject to customary terms and conditions, the Manager will have the right to delegate all or a portion of the Services to a Subsidiary or any other Affiliate.

Each of the following events will constitute a "Manager Other IP Termination Event" under the Management Agreement:

(a) a material default by the Manager in the due performance and observance of any covenant set forth in the Management Agreement (other than a covenant that relates exclusively to the Azul Brand IP) occurs, and such

default is not cured or remedied within 45 days after the earlier of the Manager's knowledge thereof or notice from the U.S. Collateral Agent, *provided*, *however*, that as long as the Manager is diligently attempting to cure or remedy such default (so long as such default is capable of being cured or remedied), such cure or remedy period shall be extended by an additional period as may be required to cure or remedy such default, but in no event by more than an additional 60 days (or such later date as the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) may agree);

(b) any representation or warranty of the Manager made in the Management Agreement (other than a representation or warranty that relates exclusively to the Azul Brand IP) proves to be incorrect in any material respect when made or deemed made and such breach remains uncured or unremedied for 20 Business Days after the earlier of the Manager's knowledge thereof or notice in writing by the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) of such breach;

(c) any final, non-appealable order, judgment or decree is entered in any proceedings against the Manager by a court of competent jurisdiction decreeing the dissolution of the Manager and such order, judgment or decree remains unstayed and in effect for more than 60 consecutive days;

(d) the Management Agreement ceases to be in full force and effect or enforceable, and such event shall continue uncured or unremedied for more than 45 days (or 60 days if being cured or remedied in good faith) after the earlier of the Manager's knowledge thereof or notice in writing from the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) of such event;

(e) the occurrence of an Event of Default under the New Notes Indenture or an event of default under other Secured Debt (which, in relation to the AerCap Secured Obligations shall be limited to events of default relating to payment defaults); or

(f) the termination of any Azul Other IP License.

If a Manager Other IP Termination Event under the Management Agreement has occurred and is continuing, the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) may (x) waive such Manager Other IP Termination Event (except for a Manager Other IP Termination Event described in clause (c) above) or (y) terminate the Manager in its capacity as such with respect to the Azul Other IP by the delivery of a termination notice to the Manager (with a copy to IP Co and IP HoldCo).

Each of the following events will constitute a "Manager Azul Brand Termination Event" under the Management Agreement: (a) termination of the Azul Brand License included in the Sublicense and (b) a material breach of the Management Agreement (other than a breach that relates exclusively to the Azul Other IP) by the Manager that a court of competent jurisdiction determines by a final, non-appealable order, judgment or decree would cause a material adverse effect on the Azul Brand IP. If a Manager Azul Brand Termination Event under the Management Agreement has occurred and is continuing, the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) may (i) waive such Manager Azul Brand Termination Event or (ii) terminate the Manager in its capacity as such with respect to the Azul Brand IP by the delivery of a termination notice to the Manager (with a copy to IP Co and IP HoldCo).

Following the termination of the Manager for any reason (whether with respect to the entirety of the Contributed Intellectual Property or only a portion thereof), or after a Manager Resignation (as defined below), the Manager will be required to deliver and surrender to IP Co and IP HoldCo and to any successor manager, subject to confidentiality restrictions, all documentation with respect to the Contributed Intellectual Property for which such termination relates that is reasonably required to enable the successor manager to provide the Services (except to the extent such documentation is provided to Azul Linhas in its capacity as sublicensee under the Sublicense and the Sublicense remains in effect).

The Manager will only be permitted to resign as the Manager under the Management Agreement (a "Manager Resignation") upon written notice to the U.S. Collateral Agent, IP Co and IP HoldCo upon or after (a) the payment in full of the Secured Debt (other than contingent obligations not due and owing), or (b) the sale or disposition of IP Co (or any equity interests therein) by the U.S. Collateral Agent to a third party (other than any Secured Party) after foreclosure following a Remedies Direction, where such sale or disposition results in IP Co ceasing to be affiliated

with Azul Linhas. The Manager will not be permitted to assign the Management Agreement or any of its rights, powers, duties or obligations thereunder (other than as expressly permitted under the Management Agreement, including in connection with a termination of the Manager pursuant to the terms of the Management Agreement).

Upon termination of the Manager following a Manager Other IP Termination Event, Manager Azul Brand Termination Event, or Manager Resignation, the Management Agreement will terminate with respect to the applicable Contributed Intellectual Property (or, in the case of a Manager Resignation, in its entirety), *provided* that, for a limited time period specified in the Management Agreement, the Manager shall reasonably cooperate with any successor manager in connection with the implementation of a transition plan and transition to such successor manager responsibility for the Services, using commercially reasonable efforts to do so without material interruption or material adverse impact on the provision of Services by the successor manager (a "Transition"). During the transition period, the Manager shall provide all information reasonably requested by the successor manager regarding the Services required for the Transition and shall follow any directions that may be reasonably requested by the successor manager or the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) with respect to effecting a complete Transition. A termination of the Manager with respect the Azul Brand IP shall not automatically result in the termination of the Manager with respect to the Azul Other IP, and vice versa.

The Manager agrees to indemnify IP Co, IP HoldCo, the U.S. Collateral Agent and their respective members, officers, directors, managers, partners, trustees, employees, attorneys and agents (each an "Indemnitee") for all damages or other amounts required to be paid to a third party as a result of any third-party claim against an Indemnitee caused by the Manager's bad faith, gross negligence or willful misconduct in the performance of its obligations under the Management Agreement, together with costs and expenses reasonably incurred in the defense thereof; *provided* that the Manager will have no obligation to indemnify any Indemnitee to the extent any such damages or other amounts are caused by an Indemnitee's bad faith, gross negligence or willful misconduct, or result from the Manager's good faith reliance on instructions of IP Co or the U.S. Collateral Agent. In the event the Manager is required to make an indemnification payment pursuant to the Management Agreement, the Manager shall, if payable to IP Co, deposit such indemnification payment directly to the Collection Account.

Except as expressly provided in the indemnification obligations described above, and except for the Manager's bad faith, gross negligence or willful misconduct, the Manager shall not have any liability arising under or relating to the Management Agreement. The Manager, acting in good faith, shall be entitled to rely on instructions from IP Co or the U.S. Collateral Agent, and shall not be liable for any acts or omissions of the Manager as a result of such instructions.

The Management Agreement may only be amended or waived by a written instrument signed by the Manager, IP Co and IP HoldCo, and with the written consent of the U.S. Collateral Agent (acting at the direction of the Controlling Creditors). Consent of the U.S. Collateral Agent will not be required in connection with any amendment to (a) amplify the description or duties of the Manager or correct the description of any required activities of the Manager so long as such correction does not materially adversely affect the applicable Contributed Intellectual Property, (b) add provisions to the Management Agreement so long as such action does not modify the Management Standard, materially adversely affect the applicable Contributed Intellectual Property or materially adversely affect the interests of any secured party, (c) correct any manifest errors or ambiguities, (d) evidence the succession of another person as a party to the Management Agreement in accordance with the terms thereof, (e) comply with applicable law or (f) take any action necessary and appropriate to facilitate the origination of new TudoAzul Agreements or Azul Viagens Agreements, or the management and preservation of the TudoAzul Agreements or Azul Viagens Agreements, in each case, in accordance with the Management Standard.

Unless terminated earlier in accordance with the terms of the Management Agreement, the duties and obligations of the Manager under the Management Agreement will terminate upon the repayment in full of all Secured Debt (other than contingent obligations not due and owing).

Contribution Agreements

The Parent Guarantor and certain of its Subsidiaries (including Azul Linhas, IntelAzul and Azul Viagens) (each, a "Contributing Party"), IP HoldCo and IP Co will enter into a series of contribution agreements (the "Contribution Agreements"). Pursuant to the Contribution Agreements, (a) each Contributing Party will contribute to IP HoldCo all of its respective right, title and interest in and to the Contributed Assets, and (b) IP HoldCo will then contribute to

IP Co all of IP HoldCo's right, title and interest in and to the Contributed Assets. All such contributions will be made as capital contributions (in exchange for the issue of shares, in the case of IP contributions to IP HoldCo and IP Co) to the relevant Subsidiary, and will be effectuated by the assigning entity absolutely and irrevocably assigning, transferring, contributing and otherwise conveying all of its right, title and interest in and to such Contributed Assets.

"Contributed Assets" means (a) each Contributing Party's and IP HoldCo's respective rights to the Contributed Intellectual Property (other than the Specified IP and any "intent to use" trademark applications for which a statement of use has not been filed with and accepted by the United States Patent and Trademark Office (but only until such statement is filed and accepted)) and (b) all rights to establish, create, organize, initiate, participate, operate, assist, benefit from, promote or otherwise be involved in or associated with, in any capacity, (i) the TudoAzul Program (including Clube TudoAzul), any other Loyalty Program (other than a Permitted Acquisition Loyalty Program), or (ii) the Azul Viagens Business, any other Travel Package Business (other than a Permitted Acquisition Travel Package Business).

All such contributions of the Contributed Assets will be made subject to any existing third-party rights with respect to such assets under the existing TudoAzul Agreements or Azul Viagens Agreements or other third-party non-exclusive licenses granted in the ordinary course ("Third-Party Rights"). Any future rights granted by the Parent Guarantor, any of its Subsidiaries, or IP Co to third parties in connection with the operation of the TudoAzul Program (including Clube TudoAzul) under the TudoAzul Agreements or the operation of the Azul Viagens Business under the Azul Viagens Agreements, respectively, entered into after the Closing Date will be subject to the terms of the IP Licenses and the limitations in the New Notes Indenture and the Collateral Documents. All contributions of Contributed Assets are also subject to any restrictions under applicable law or regulation.

The Contribution Agreements will then, together in series, automatically contribute, transfer or assign later acquired or developed Contributed Assets to IP Co.

With respect to each Contribution Agreement, (a) each Contributing Party, IP HoldCo and IP Co will each make certain representations with respect to its ability to enter into the Contribution Agreement and effect the transactions contemplated thereby, and (b) each Contributing Party may terminate its obligation to contribute, transfer or assign later developed or acquired Contributed Intellectual Property upon written notice at any time upon or after the earlier of (i) the payment in full of all obligations under the Secured Debt or (ii) the sale or disposition of IP Co or IP HoldCo (or, in each case, any equity interests therein) by the U.S. Collateral Agent to a third party (other than the Secured Parties) after foreclosure following a Remedies Direction, where such sale or disposition results in IP Co or IP HoldCo ceasing to be affiliated with such Contributing Party, *provided* that such termination would not affect the rights and obligations of the parties that may have accrued prior to such termination, or as a result of such termination, or that expressly survive termination pursuant to the terms thereof.

To the extent that certain Contributed Intellectual Property is precluded from being contributed due to applicable law or regulation, domain registrar restrictions or existing contractual restrictions, such Contributed Intellectual Property, as applicable, will not be contributed to IP Co (such Contributed Intellectual Property, the "Specified IP"), *provided* that the Contribution Agreements will provide that, to the extent that, at any time after the effective date of the Contribution Agreements, the applicable Contributing Party's right, title and interest in and to any Specified IP can be contributed to IP Co without violating applicable law or regulation, domain name registrar restrictions (if applicable) or existing contractual restrictions, then all of such Contributing Party's right, title and interest in and to such Specified IP will be contributed to IP Co pursuant to the applicable Contribution Agreements.

The U.S. Collateral Agent shall be an express third-party beneficiary under each of the Contribution Agreements.

IP Licenses

On or prior to the Closing Date, (a) IP Co and IP HoldCo will enter into a license agreement (the "Head License"), pursuant to which IP Co will grant to IP HoldCo (in such capacity, a "Licensee") an exclusive, irrevocable, perpetual (subject to termination solely as set forth below), worldwide license (with the right to sublicense solely to Azul Linhas) to the Contributed Intellectual Property, and (b) IP HoldCo and Azul Linhas will enter into a sublicense agreement (the "Sublicense"), pursuant to which IP HoldCo will grant Azul Linhas (in such

capacity, a "Licensee") an exclusive, irrevocable, perpetual (subject to termination solely as set forth below), worldwide sublicense (with the right to grant further sublicenses as set forth below) to the Contributed Intellectual Property (the Head License, together with the Sublicense, the "IP Licenses"). The U.S. Collateral Agent will be an express third-party beneficiary under certain provisions of each IP License.

Under the terms of the Head License, IP HoldCo may sublicense the Contributed Intellectual Property solely to Azul Linhas. Under the terms of the Sublicense, Azul Linhas may freely sublicense the Contributed Intellectual Property on a non-exclusive basis in the ordinary course of business, including to its Subsidiaries; *provided* that Azul Linhas shall be free to grant sublicenses with respect to the Azul Trademarks and Domains for non-airline, non-loyalty program and non-vacation or travel business uses without restriction on an exclusive or non-exclusive basis.

Pursuant to each of the IP Licenses, IP Co and IP HoldCo will agree, and IP HoldCo, Azul Linhas and the Parent Guarantor will agree, as applicable, that on and after the effective date of the IP Licenses, each of IP Co, IP HoldCo, Azul Linhas and the Parent Guarantor shall not, and shall not permit any of their respective Subsidiaries to, establish, create or operate any:

- Loyalty Program, other than any Permitted Acquisition Loyalty Program, unless all or substantially all of the receivables and cash proceeds (representing at least 70% of gross billings or equivalent, calculated as set forth in the Description of New Notes and which excludes, for the avoidance of doubt, airline revenues such as ticket sales and non-loyalty ancillary revenue) arising under such Loyalty Program and all of the Intellectual Property of such Loyalty Program (but solely to the extent that such Intellectual Property would be included in the definition of Azul Other IP, substituting references to the TudoAzul Program with references to such Loyalty Program) are pledged as Collateral on the same or equivalent basis and in the same or equivalent manner as the TudoAzul Program, and all receivables and cash proceeds arising under such Loyalty Program are paid to the Collection Account (or such other collection account of the Parent Guarantor or another Obligor that is subject to the lien of the Brazilian Collateral Agent for the benefit of the Secured Parties and under the exclusive control of the Brazilian Collateral Agent as an entitlement holder which shall be designated as a Collection Account (including for the purposes of the Debt Service Coverage Ratio)), in each case, subject to Third-Party Rights and other Permitted Collateral Liens (a "Loyalty Program Pledge"); *provided* that, for the avoidance of doubt, nothing will prohibit IP Co, IP HoldCo or the Parent Guarantor or any of its Subsidiaries from offering and providing discounts or other incentives for travel or carriage on the Azul airline business operated by the Parent Guarantor or any of its Subsidiaries; or

- Travel Package Business, other than any Permitted Acquisition Travel Package Business, unless all or substantially all of the receivables (representing at least 80% of gross billings or equivalent, calculated as set forth in the Description of New Notes) and cash proceeds arising under such Travel Package Business and all of the Intellectual Property of such Travel Package Business (but solely to the extent that such Intellectual Property would be included in the definition of Azul Other IP, substituting references to Azul Viagens with references to such Travel Package Business) are pledged as Collateral on the same or equivalent basis and in the same or equivalent manner as Azul Viagens, and all receivables and cash proceeds arising under such Travel Package Business are paid to the Collection Account (or such other collection account of the Parent Guarantor or another Obligor that is subject to the lien of the Brazilian Collateral Agent for the benefit of the Secured Parties and under the exclusive control of the Brazilian Collateral Agent as an entitlement holder which shall be designated as a Collection Account (including for the purposes of the Debt Service Coverage Ratio)), in each case, subject to Third-Party Rights and other Permitted Collateral Liens (a "Travel Package Business Pledge"),

(collectively, the "Non-Compete").

The Parent Guarantor will be a signatory to the Sublicense solely with respect to the Non-Compete.

With respect to any Permitted Acquisition Loyalty Program, IP Co, IP HoldCo, Azul Linhas and the Parent Guarantor shall undertake one of the following actions as described in "Description of New Notes Description of New Notes—Security—Additional Collateral in Connection with a Permitted Acquisition Loyalty Program or a Permitted Acquisition Travel Package Business": (a) terminate such Permitted Acquisition Loyalty Program; (b) merge, consolidate or otherwise integrate the business of such Permitted Acquisition Loyalty Program into the

TudoAzul Program; or (c) grant a Loyalty Program Pledge with respect thereto. Until it is merged, consolidated or otherwise integrated with the TudoAzul Program, or a Loyalty Program Pledge is granted with respect thereto, any Permitted Acquisition Loyalty Program shall not constitute a TudoAzul Program and its co-branding, partnering or similar agreements shall not constitute TudoAzul Agreements.

With respect to any Permitted Acquisition Travel Package Business, IP Co, IP HoldCo, Azul Linhas and the Parent Guarantor shall undertake one of the following actions as described in "Description of New Notes—Security—Additional Collateral in Connection with a Permitted Acquisition Loyalty Program or a Permitted Acquisition Travel Package Business": (a) terminate such Permitted Acquisition Travel Package Business; (b) merge, consolidate or otherwise integrate the business of such Permitted Acquisition Travel Package Business into the Azul Viagens Business; or (c) grant a Travel Package Business Pledge with respect thereto. Until it is merged into, consolidated or otherwise integrated with the Azul Viagens Business, or a Travel Package Business is granted with respect thereto, any Permitted Acquisition Travel Package Business shall not constitute a Azul Viagens Business and its co-branding, partnering or similar agreements shall not constitute Azul Viagens Agreements.

Azul Linhas, as licensee under the Sublicense, will have the right to assign the Sublicense without IP HoldCo's prior written consent solely to a permitted successor to Azul Linhas under the Transaction Documents that assumes Azul Linhas's obligations with respect to the Secured Obligations.

In addition, IP HoldCo hereby consents to the assumption and/or assumption and assignment of the Sublicense by Azul Linhas, on the terms and conditions set forth herein. Following a voluntary filing of Azul Linhas under chapter 11 of the Bankruptcy Code, Azul Linhas, as licensee under the Sublicense, will have the right to assume and assign the Sublicense without IP HoldCo's further written consent solely to (a) Azul Linhas as a debtor in possession in a case under chapter 11 of the Bankruptcy Code, (b) Azul Linhas as a reorganized debtor ("Reorganized Azul Linhas") pursuant to a confirmed plan of reorganization under chapter 11 of the Bankruptcy Code (a "Chapter 11 Plan") that reinstates the Sublicense on the same terms that existed prior to the assumption and assignment thereof, consistent in all material respects with the Chapter 11 Case Milestones, unless waived as consistent with the Transaction Documents, and with section 365 of the Bankruptcy Code, and provides that Reorganized Azul Linhas shall remain bound by the terms and conditions of all of the Transaction Documents to which Azul Linhas is party on the same terms that existed prior to the effective date of the Chapter 11 Plan and shall remain a guarantor of the Secured Debt, which shall be reinstated, or (c) a purchaser (a "Bankruptcy Purchaser") of a substantial portion of Azul Linhas's assets pursuant to a sale under a Chapter 11 Plan or a sale order under section 363 of the Bankruptcy Code and the terms of such sale require the Bankruptcy Purchaser to assume or reinstate, as applicable, all of the Transaction Documents to which Azul Linhas is party following the consummation of the Chapter 11 Plan or sale under section 363 of the Bankruptcy Code on the same terms and conditions that existed immediately prior to such assignment other than with respect to the replacement of Azul Linhas with the Bankruptcy Purchaser and require that the Bankruptcy Purchaser guarantee the Secured Debt; *provided* that any other sale or assignment to Reorganized Azul Linhas, a Bankruptcy Purchaser or a third party will require the prior written consent of IP HoldCo and the U.S. Collateral Agent (acting at the direction of the Controlling Creditors).

For so long as a Specified Event of Default (as defined under "Description of New Notes—Certain Definitions") has occurred and is continuing, IP HoldCo shall be required to pay to IP Co a quarterly license fee under the Head License, and Azul Linhas will pay to IP HoldCo a quarterly license fee under the Sublicense, which license fee in each case will be in an amount equal to US$50,000,000 per quarter (collectively, the "IP License Fee"); *provided* that the IP License Fee may be waived or amended by the Controlling Creditors (a) with respect to a given calendar quarter so long as all accrued interest on Secured Debt that was due and payable in such calendar quarter shall have been paid in cash as and when due and (b) at any time two years or more after the IP License Fee first begins to accrue, if in the case of this clause (b) such waiver or amendment is reasonably necessary to preserve the value of the Collateral and the rights and remedies of the Obligors and the Secured Parties therein. The Controlling Creditors may permit the use of cash collateral arising from the Collection Accounts to pay the IP License Fee, but not any Taxes associated therewith, which shall be the sole responsibility of the Parent Guarantor and Azul Linhas to satisfy out of other sources of funds (and to gross up any payments of the IP License Fee to cover any withholding Tax). As security for the payment or performance of its obligations under the Head License, including its obligation to pay the IP License Fee, IP HoldCo will grant a security interest to IP Co in all of IP HoldCo's right, title and interest to receive amounts due and payable to IP HoldCo as licensor under the Sublicense, including any termination payments thereunder. Any payment of the IP License Fee shall be made free and clear of,

and without withholding or deduction for or on account of, any Taxes imposed or levied by or on behalf of Brazil, the Cayman Islands, any other jurisdiction in which Azul Linhas or IP HoldCo (or any of their successors) is organized or resident for Tax purposes, or any political subdivision or taxing authority thereof or therein on any payment of or with respect to the IP License Fee. In the event that any such withholding or deduction is so required, Azul Linhas shall pay, with respect to each payment of or with respect to the IP License Fee, such additional amounts to IP HoldCo as may be necessary to ensure that the net amounts receivable by each of IP HoldCo or IP Co, as applicable, after such withholding or deduction shall equal the respective amounts of IP License Fee which would have been receivable in the absence of such withholding or deduction. In addition, the Parent Guarantor and Azul Linhas agree to indemnify and hold harmless IP HoldCo and IP Co for and against any Taxes imposed or levied on IP HoldCo or IP Co by any jurisdiction or taxing authority (including Brazil, the Cayman Islands and any political subdivision or taxing authority thereof or therein) on or with respect to the receipt, payment or accrual of any IP License Fees. The Sublicense shall provide that IP Co irrevocably directs that the IP License Fee be paid directly into the USD Collateral Account.

Each IP License, as it relates to the licenses granted therein with respect to the Azul Brand IP (the "Azul Brand License" with respect to such IP License) will be subject to suspension upon the occurrence of any of the following events (each, an "Azul Brand Suspension Event"):

(a) a material breach of the Non-Compete by the applicable Licensee or the Parent Guarantor or any of its Subsidiaries that continues for more than 20 Business Days (or 60 Business Days if being cured or remedied in good faith) following the earlier of knowledge of such Licensee and written notice from the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) to such Licensee of such failure;

(b) use of any licensed Intellectual Property under such Azul Brand License by the applicable Licensee materially other than as permitted by the licenses or sublicenses granted under such Azul Brand License unless such use is discontinued within 20 Business Days (or 60 Business Days if being cured or remedied in good faith) following the earlier of knowledge of such Licensee and written notice from the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) to such Licensee of such failure;

(c) use of any licensed Intellectual Property under such Azul Brand License by a sublicensee of the applicable Licensee materially other than as permitted by the licenses or sublicenses granted under such Azul Brand License unless such use is discontinued, or the applicable sublicense is terminated, within 20 Business Days (or 60 Business Days if being cured or remedied in good faith) following the earlier of knowledge of such Licensee and written notice from the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) to such Licensee of such failure;

(d) Azul Linhas becomes subject to a proceeding under chapter 11 of the Bankruptcy Code and any of the Chapter 11 Case Milestones ceases to be met or complied with, as applicable;

(e) (i) any Azul Brand License ceases to be in full force and effect (as determined by a court of competent jurisdiction in a final non-appealable judgment) or is declared by a court of competent jurisdiction in a final non-appealable judgment to be null and void, or (ii) Azul Linhas, the Parent Guarantor or any of its Subsidiaries contests the validity or enforceability of any Contribution Agreement or any Azul Brand License;

(f) an Event of Default or equivalent event under any Series of Secured Debt has occurred and is continuing for 60 days (which, in relation to the AerCap Secured Obligations shall be limited to events of default relating to payment defaults); *provided* that none of the following shall constitute an Azul Brand Suspension Event:

(1) the Parent Guarantor or any of its Subsidiaries (other than an IP Party) becoming subject to a proceeding under chapter 11 of the Bankruptcy Code, so long as (i) Azul Linhas is or becomes subject to a proceeding under chapter 11 of the Bankruptcy Code at such time, and (ii) each of the Chapter 11 Case Milestones is met and otherwise complied with, as applicable; and

(2) a proceeding under Brazilian Bankruptcy Law for the recognition of any proceeding under chapter 11 of the Bankruptcy Code as a foreign main proceeding (*processo estrangeiro principal*) or foreign non-main proceeding (*processo estrangeiro não principal*), so long as (i) Azul Linhas is among the Persons subject to such proceeding or proceedings under chapter 11 of the Bankruptcy Code in respect of which such recognition

is being sought, (ii) no such recognition proceeding is inconsistent in any material respect with any Chapter 11 Case Milestone, (iii) such proceeding under Brazilian Bankruptcy Law is not converted into a Brazilian main proceeding, including a judicial reorganization (*recuperação judicial*), extrajudicial reorganization (*recuperação extrajudicial*) or a bankruptcy liquidation proceeding (*falência*) and (iv) such proceeding under chapter 11 of the Bankruptcy Code is recognized by the Brazilian bankruptcy court as a foreign main proceeding (*processo estrangeiro principal*) or foreign non-main proceeding (*processo estrangeiro não principal*) within 60 days of the initiation of such proceeding under Brazilian Bankruptcy Law; or

(g) with respect to the Sublicense, suspension of the Azul Brand License within the Head License pursuant to its terms, and with respect to the Head License, suspension of the Azul Brand License within the Sublicense pursuant to its terms.

Upon the occurrence of any Azul Brand Suspension Event, so long as such Azul Brand Suspension Event shall be continuing, IP Co or IP HoldCo, as the applicable licensor, or the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) by written notice to the applicable Licensee, may suspend the applicable Azul Brand License (including with respect to any sublicensees) until such Azul Brand Suspension Event shall cease to be continuing.

Each Azul Brand License will be subject to termination upon the occurrence of any of the following events (each, an "Azul Brand Termination Event"):

(a) the occurrence of a Brand Case Milestones Termination Event;

(b) any Azul Brand Suspension Event has occurred and continued for more than 180 days, *provided* that this Azul Brand Termination Event will not apply at any time that Azul Linhas is subject to a proceeding under chapter 11 of the Bankruptcy Code; or

(c) with respect to the Sublicense, termination of the Azul Brand License within the Head License pursuant to its terms, and with respect to the Head License, termination of the Azul Brand License within the Sublicense pursuant to its terms.

Upon the occurrence of the Azul Brand Termination Event set forth in (a) above, the applicable Azul Brand License shall immediately and automatically terminate (without any notice to Azul Linhas or any other act by IP HoldCo, IP Co, the Trustee or the U.S. Collateral Agent) unless the Majority Total Debtholders have otherwise agreed, as notified in writing to the Guarantors, the Trustee and the U.S. Collateral Agent. Upon the occurrence of any other Azul Brand Termination Event, the applicable Azul Brand License may be terminated by the applicable licensor or the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) by written notice to the applicable Licensee.

Each IP License, as it relates to the licenses granted therein with respect to the Azul Other IP (the "Azul Other IP Licenses" with respect to such IP License) will be subject to termination upon the occurrence of any of the following events (each an "Other IP Termination Event"):

(a) any representation or warranty made by the applicable Licensee under such IP License proves to be false or incorrect in any material respect when made or deemed made, and such representation or warranty, to the extent capable of being corrected, is not corrected within 20 Business Days after the earlier of knowledge of such Licensee and written notice from the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) to such Licensee of such failure;

(b) a material breach of the Non-Compete by the applicable Licensee or the Parent Guarantor or any of its Subsidiaries that continues for more than 20 Business Days (or 60 Business Days if being cured or remedied in good faith) following the earlier of knowledge of such Licensee and written notice from the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) to such Licensee of such failure;

(c) use of any licensed Intellectual Property under such IP License by the applicable Licensee materially other than as permitted by the licenses or sublicenses granted under such IP License unless such use is discontinued within 20 Business Days (or 60 Business Days if being cured or remedied in good faith) following the earlier of knowledge

of such Licensee and written notice from the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) to such Licensee of such failure;

(d) use of any licensed Intellectual Property under such IP License by a sublicensee of the applicable Licensee materially other than as permitted by the licenses or sublicenses granted under such IP License unless such use is discontinued, or the applicable sublicense is terminated, within 20 Business Days (or 60 Business Days if being cured or remedied in good faith) following the earlier of knowledge of such Licensee and written notice from the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) to such Licensee of such failure;

(e) Azul Linhas becomes subject to a proceeding under chapter 11 of the Bankruptcy Code and any of the Chapter 11 Case Milestones ceases to be met or complied with, as applicable;

(f) (i) any IP License ceases to be in full force and effect (as determined by a court of competent jurisdiction in a final non-appealable judgment) or is declared by a court of competent jurisdiction in a final non-appealable judgment to be null and void, or (ii) Azul Linhas, the Parent Guarantor or any of its Subsidiaries contests the validity or enforceability of any Contribution Agreement or any IP License;

(g) an Event of Default or equivalent event under any Series of Secured Debt has occurred (which, in relation to the AerCap Secured Obligations shall be limited to events of default relating to payment defaults); *provided* that none of the following shall constitute an Other IP Termination Event:

(1) the Parent Guarantor or any of its Subsidiaries (other than an IP Party) becoming subject to a proceeding under chapter 11 of the Bankruptcy Code, so long as (i) Azul Linhas is or becomes subject to a proceeding under chapter 11 of the Bankruptcy Code at such time, and (ii) each of the Chapter 11 Case Milestones is met and otherwise complied with, as applicable; and

(2) a proceeding under Brazilian Bankruptcy Law for the recognition of any proceeding under chapter 11 of the Bankruptcy Code as a foreign main proceeding (*processo estrangeiro principal*) or foreign non-main proceeding (*processo estrangeiro não principal*), so long as (i) Azul Linhas is among the Persons subject to such proceeding or proceedings under chapter 11 of the Bankruptcy Code in respect of which such recognition is being sought, (ii) no such recognition proceeding is inconsistent in any material respect with any Chapter 11 Case Milestone, (iii) such proceeding under Brazilian Bankruptcy Law is not converted into a Brazilian main proceeding, including a judicial reorganization (*recuperação judicial*), extrajudicial reorganization (*recuperação extrajudicial*) or a bankruptcy liquidation proceeding (*falência*), and (iv) such proceeding under chapter 11 of the Bankruptcy Code is recognized by the Brazilian bankruptcy court as a foreign main proceeding (*processo estrangeiro principal*) or foreign non-main proceeding (*processo estrangeiro não principal*) within 60 days of the initiation of such proceeding under Brazilian Bankruptcy Law; or

(h) the termination of the other Azul Other IP License in accordance with its terms.

Upon the occurrence of any Other IP Termination Event, so long as such Other IP Termination Event shall be continuing, as the applicable licensor or the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) by written notice to the applicable Licensee, may declare the applicable IP License to be terminated with respect to the Azul Other IP Licenses.

In the event that the Azul Brand License or Azul Other IP License, in each case, within the Sublicense, is terminated following the occurrence of any Azul Brand Termination Event or Other IP Termination Event, as applicable, there shall automatically (without any notice to Azul Linhas or any other act by an IP Party, the Trustee or the U.S. Collateral Agent) become due and payable as liquidated damages for loss of bargain and not as a penalty, an amount equal to the present value (the "PV") of an annual amount of US$200,000,000 from the date of termination through and including the date that is the 20th anniversary of the date of the Sublicense, discounted to the termination date at a rate of 10% per annum (the "Termination Payment"). Any payment of the Termination Payment shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed or levied by or on behalf of Brazil, the Cayman Islands, any other jurisdiction in which Azul Linhas or IP HoldCo (or any of their successors) is organized or resident for Tax purposes, or any political subdivision or taxing authority thereof or therein on any payment of or with respect to the Termination Payment. In the event that any such withholding or deduction is so required, Azul Linhas shall pay, with respect to each payment of or with respect

to the Termination Payment, such additional amounts to IP HoldCo as may be necessary to ensure that the net amounts receivable by each of IP HoldCo or IP Co, as applicable, after such withholding or deduction shall equal the respective amounts of Termination Payment which would have been receivable in the absence of such withholding or deduction. In addition, Azul and Azul Linhas agree to indemnify and hold harmless IP HoldCo and IP Co for and against any Taxes imposed or levied on IP HoldCo or IP Co by any jurisdiction or taxing authority (including Brazil, the Cayman Islands and any political subdivision or taxing authority thereof or therein) on or with respect to the receipt, payment or accrual of any Termination Payment. IP HoldCo is then required pursuant to the Head License to pay the License Termination Payment to IP Co. IP Co hereby irrevocably instructs that the Termination Payment be paid directly into the USD Collateral Account. For illustrative purposes, the results of the PV calculation assuming the termination date occurs on the following days are:

Fixed amount	US$200,000,000
Discount rate	10.00%
Tenor	20 years

If the Azul Brand License or Azul Other IP License is terminated on:	**Present Value (PV)**
First anniversary of the Closing Date	US$1,702,712,744
Second anniversary of the Closing Date	US$1,672,984,018
Third anniversary of the Closing Date	US$1,640,282,420
Fourth anniversary of the Closing Date	US$1,604,310,662
Fifth anniversary of the Closing Date	US$1,564,741,728
Sixth anniversary of the Closing Date	US$1,521,215,901
Seventh anniversary of the Closing Date	US$1,473,337,491

Azul Linhas will have the right to terminate the Sublicense upon written notice to IP HoldCo and the U.S. Collateral Agent at any time solely upon or after the earlier of (a) the date of payment in full of the Secured Debt (other than contingent obligations not due and owing) or (b) the sale or disposition of IP Co or IP HoldCo (or any equity interests therein) by the U.S. Collateral Agent to a third party (other than the Secured Parties) after foreclosure following a Remedies Direction, where such sale or disposition results in IP Co or IP HoldCo ceasing to be affiliated with Azul Linhas. The termination by Azul Linhas will not affect any rights and obligations of the parties to the Sublicense that may have accrued prior to such termination, or as a result of such termination, or that expressly survive termination pursuant to the terms of the Sublicense, and will not relieve Azul Linhas from its obligation to pay the Termination Payment as a result of an Azul Brand Termination Event or Other IP Termination Event whether or not IP Co or IP HoldCo is an Affiliate of Azul Linhas.

Upon the termination of an Azul Brand License or an Azul Other IP License, the applicable Licensee (and each sublicensee thereof) shall immediately cease to be entitled to use and shall immediately cease all use of the Contributed Intellectual Property to which such termination relates, all of the rights granted to such Licensee pursuant to such Azul Brand License or Azul Other IP License, as applicable, with respect to such Contributed Intellectual Property shall immediately cease and all sublicenses (other than sublicenses granted pursuant to any TudoAzul Agreement or Azul Viagens Agreement, as applicable) shall be automatically terminated, and IP Co and the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) may take all action required to cause such Licensee (and any sublicensees thereof) to cease their use of such Contributed Intellectual Property.

Azul Linhas will waive any and all rights to set-offs, withholding, reductions, recovery and counterclaims, presentments and all judicial demands for performance against IP HoldCo under the Sublicense, and IP HoldCo will waive any and all rights to set-offs, withholding, reductions, recovery and counterclaims, presentments and all judicial demands for performance against IP Co under the Head License.

IP Co will be required to take reasonable steps to register and maintain the registration of each item of material licensed Intellectual Property included in the Contributed Intellectual Property that is registered or applied for as of or after the effective date of the Head License. Under the IP Licenses, as among IP Co, IP HoldCo and Azul Linhas (and without limiting the obligations of the Manager under the Management Agreement), Azul Linhas will have the first right, but not the obligation, to enforce or defend the licensed Intellectual Property. In addition, under the IP Licenses, each Licensee will be required to, and will be required to cause its permitted sublicensees to, display and use the trademarks included in the Contributed Intellectual Property in accordance with certain specified brand guidelines. Furthermore, all products and services offered by each Licensee under trademarks included in the Contributed Intellectual Property will be required to conform to standards of quality at least comparable to that of the products and services offered under such trademarks as of the effective date of the IP Licenses in order to maintain the validity of such trademarks and protect the goodwill associated therewith. Each Licensor will, or will cause another Person (including the Manager, pursuant to the Management Agreement) to, exercise quality control of the trademarks licensed under the IP Licenses.

Each party to each IP License will make certain mutual representations with respect to its ability to enter into such IP License and effect the transactions contemplated thereby, including that: (a) it is duly organized or incorporated and in good standing; and (b) it has the requisite corporate or organizational power and authority. IP Co or IP HoldCo, as the applicable licensor, will further represent that, subject to any Third-Party Rights, it has the authority to grant the licenses set forth in the applicable IP License.

Each IP License will also provide that no amendments or waivers of such IP License are permitted without the written consent of the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) or the other Secured Parties if such consent is required pursuant to the terms of the New Notes Indenture.

DESCRIPTION OF COLLATERAL

The Collateral securing the New Notes and the New Notes Guarantees will generally consist of the Shared Collateral and the Azul Cargo Collateral, as described below.

Shared Collateral

The New Notes and the New Notes Guarantees will be secured by the collateral set forth below (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 Secured Debt (including the New Notes Guarantees), on a "second out" basis after the payment of amounts due and payable in respect of the First Priority Secured Obligations (including the AerCap Secured Obligations, the Convertible Debentures and any future First Priority Secured Debt), subject to customary post-closing perfection requirements and Permitted Liens. See "Description of New Notes—Ranking of the New Notes and the New Notes Guarantees" and "Description of New Notes—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" below.

The Shared Collateral comprises:

- (i) Other than the TudoAzul Trademarks and Azul Viagens Trademarks, any and all trademarks, service marks, brand names, designs, and logos throughout the world that, in each case, are owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries and, in each case, include the word "Azul" and any and all successor or legacy brands with respect to any of the foregoing (the "Azul Trademarks"), and (ii) other than the TudoAzul Domain Names and Azul Viagens Domain Names, any and all domain names and social media accounts throughout the world that, in each case, are owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries and, in each case, include the word "Azul," including the "VoeAzul.com.br" domain name and any and all similar or successor domain names (the "Azul Domain Names"), including, in each case of (i) and (ii), (A) any and all causes of action and claims now or hereafter owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries in respect of any of the foregoing, including, without limitation, the right to sue or otherwise recover for any and all past, present and future infringements or dilutions thereof and (B) any and all other trademark rights corresponding thereto, including any and all other trademark rights of any kind whatsoever accruing under the Azul Trademarks or Azul Domain Names; together, in each case with the goodwill of the business connected with such use of, and symbolized by, any of the foregoing (collectively, the "Azul Trademarks and Domains"), with collateral documentation governed by New York or Brazilian law, as applicable.

    - "TudoAzul Trademarks" means (i) any and all trademarks, service marks, brand names, designs, and logos throughout the world that, in each case, are owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries and, in each case, include the word "Tudo" (including the combined wordmark "TudoAzul"), and (ii) any and all successor or legacy brands with respect to any of the foregoing.

    - "Azul Viagens Trademarks" means (i) any and all trademarks, service marks, brand names, designs, and logos throughout the world that, in each case, are owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries and, in each case, include the word "Viagens" (including the combined wordmark "Azul Viagens"), and (ii) any and all successor or legacy brands with respect to any of the foregoing.

    - "TudoAzul Domain Names" means (i) any and all domain names and social media accounts throughout the world that, in each case, are owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries and, in each case, include the word "Tudo," including the "TudoAzul.com.br" domain name and (ii) any and all similar, legacy or successor domain names with respect to any of the foregoing.

    - "Azul Viagens Domain Names" means (i) any and all domain names and social media accounts throughout the world that, in each case, are owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries and, in each case, include the word "Viagens," including

the "azulviagens.com.br" domain name and (ii) any and all similar, legacy or successor domain names with respect to any of the foregoing.

Any and all Intellectual Property, including copyrights and Trade Secrets, that is (i) owned by the Parent Guarantor or any of its Subsidiaries and (ii) embodied in any proprietary software developed or acquired by the Parent Guarantor or any of its Subsidiaries after the Closing Date that is used or held for use exclusively in the Azul airline business (such Intellectual Property, together with the Azul Trademarks and Domains, the "Azul Brand IP"), with collateral documentation governed by New York or Brazilian law, as applicable.

Other than the Azul Brand IP, any and all Intellectual Property, in each case, owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries (including the IP Parties) (excluding TudoAzul Customer Data and Azul Traveler Data) and used or held for use in the operation of, or otherwise required or necessary to operate, the Azul airline business, the TudoAzul Program or the Azul Viagens Business, including (a) the TudoAzul Trademarks, TudoAzul Domain Names, Azul Viagens Trademarks and Azul Viagens Domain Names, (b) the Azul Mobile App IP, (c) the Azul Proprietary Technology, (d) the TudoAzul Proprietary Software, and (e) any and all causes of action and claims now or hereafter owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries in respect of any of the foregoing, including, without limitation, the right to sue or otherwise recover for any and all past, present and future infringements or dilutions thereof and (f) any and all other trademark rights corresponding thereto, including any and all trademark rights of any kind whatsoever accruing under the TudoAzul Trademarks, TudoAzul Domain Names, Azul Viagens Trademarks or Azul Viagens Domain Names; together, in each case with the goodwill of the business connected with such use of, and symbolized by, any of the foregoing (collectively, the "Azul Other IP," and together with the Azul Brand IP, the "Contributed Intellectual Property"), with collateral documentation governed by New York or Brazilian law, as applicable.

- "Azul Mobile App IP" means any and all Intellectual Property, including copyrights and Trade Secrets, owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries and embodied in (a) the Azul mobile application, (b) any other mobile application associated with the Azul airline business, the TudoAzul Program or the Azul Viagens Business, or (c) any successor, legacy or companion mobile application with respect to any of the foregoing, including, in each case of (a)-(c), the software and source code thereof.

- "Azul Proprietary Technology" means any and all Intellectual Property, including copyrights and Trade Secrets, owned, or later developed or acquired and owned, by the Parent Guarantor or any of its Subsidiaries and embodied in Parent Guarantor's proprietary yield management system or proprietary pricing system (each as described in the 2022 Form 20-F).

- "TudoAzul Proprietary Software" means the proprietary software for the web service layer developed by or on behalf of the Parent Guarantor or any of its Subsidiaries for use in connection with the TudoAzul Program, including the source code thereof.

- The "Contributed Intellectual Property" expressly excludes any and all Intellectual Property used or held for use exclusively in the operation of the Azul Cargo Business, and expressly excludes the trademark "Azul Cargo," the domain name www.azulcargo.com.br and the other Azul Cargo Intellectual Property;

- each of IP HoldCo's, IP Co's, the Parent Guarantor's and Azul Linhas's rights under the following agreements (each as defined herein): (a) each Contribution Agreement; (b) each IP License; (c) the Management Agreement and (d) each other contribution agreement, license or sublicense related to the Contributed Intellectual Property that is required to be entered into after the Closing Date pursuant to the terms of any Transaction Documents (together, the "IP Agreements"), with collateral documentation governed by New York law.

- a pledge and security agreement in respect of the partnership interests owned by Azul Linhas in the Issuer, governed by Delaware law;

- one Cayman equitable share mortgage, of 100% of the shares held by each of (i) the Parent Guarantor, (ii) Azul Linhas, (iii) IntelAzul and (iv) Azul Viagens in IP HoldCo (and for the avoidance of doubt, excluding the special share held by the Special Shareholder), governed by Cayman Islands law;

- a Cayman equitable share mortgage of 100% of the shares held by IP HoldCo in IP Co (and for the avoidance of doubt, excluding the special share held by the Special Shareholder), governed by Cayman Islands law;

- a fiduciary transfer (*alienação fiduciária*) of 100% of the equity interests held by the Parent Guarantor in IntelAzul, governed by Brazilian law;

- a fiduciary transfer (*alienação fiduciária*) of 100% of the equity interests held by Azul Linhas and one individual in Azul Viagens, governed by Brazilian law;

- a fiduciary assignment (*cessão fiduciária*) (which is the TudoAzul Fiduciary Assignment) in respect of (i) the receivables under the Assigned TudoAzul Agreements, (ii) the Designated TudoAzul Credit Card and Debit Card Receivables, and (iii) the TudoAzul Receivables Deposit Account, governed by Brazilian law;

- a fiduciary assignment (*cessão fiduciária*) (which is the Azul Viagens Fiduciary Assignment) in respect of (i) the receivables under the Assigned Azul Viagens Agreements, (ii) the Designated Azul Viagens Credit Card and Debit Card Receivables, and (iii) the Azul Viagens Receivables Deposit Account, governed by Brazilian law;

- one or more control agreements over each of the TudoAzul Receivables Deposit Account and the Azul Viagens Receivables Deposit Account, governed by Brazilian law;

- a fiduciary assignment (*cessão fiduciária*) in respect of the receivables under the Intercompany Loan Agreements, governed by Brazilian law;

- a pledge and a control agreement over the USD Payment Account, the USD Blocked Account and the USD Collateral Account, each of which is located in the United States, governed by New York law (which, in each case, shall cover the funds contained in such accounts);

- a fiduciary assignment (*cessão fiduciária*) and a control agreement, over the BRL Payment Account, the BRL Blocked Account and the BRL Collateral Account located in Brazil, governed by Brazilian law (which, in each case, shall cover the funds contained in such accounts);

- any Additional Collateral; and

- any Additional Intercompany Indebtedness Collateral.

Azul Cargo Collateral

The New Notes and the New Notes Guarantees will also be secured by the collateral set forth below (the "Azul Cargo Collateral"). At any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens. Prior to the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "first out" basis (as the New Notes Secured Obligations shall be the only obligations secured by the Azul Cargo Collateral prior to the Azul Cargo Collateral Sharing Trigger Date). Following the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "second out" basis in accordance with the provisions of the Azul Cargo Intercreditor Agreement, as described further under "Description of New Notes—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement" below.

The Azul Cargo Collateral comprises:

- a fiduciary assignment (*cessão fiduciária*) (which is the Azul Cargo Fiduciary Assignment) in respect of (i) the Designated Azul Cargo Credit Card and Debit Card Receivables, and (ii) the Azul Cargo Receivables Deposit Account, governed by Brazilian law;

- a control agreement over the Azul Cargo Receivables Deposit Account, governed by Brazilian law; and

- a fiduciary transfer (*alienação fiduciária*) (which is the Azul Cargo Intellectual Property Fiduciary Transfer) in respect of the Azul Cargo Intellectual Property. The Azul Cargo Intellectual Property comprises:

    - the Azul Cargo Trademarks, which means all trademarks registered in Brazil that, in each case, are owned by the Parent Guarantor or any of its Subsidiaries on the Closing Date and, in each case, include each of the words "Azul" and "Cargo," together with certain other trademarks registered in Brazil exclusively used by the Azul Cargo Business and set forth in the Azul Cargo Intellectual Property Fiduciary Transfer, which includes a complete list of the Azul Cargo Trademarks; and

    - the Azul Cargo Domain Names, which means all domain names registered in Brazil that, in each case, are owned by the Parent Guarantor or any of its Subsidiaries on the Closing Date and, in each case, include each of the words "Azul" and "Cargo," including the "azulcargo.com.br" and "azulcargoexpress.com.br" domain names, together with certain other domain names registered in Brazil exclusively used by the Azul Cargo Business and set forth in the Azul Cargo Intellectual Property Fiduciary Transfer, which includes a complete list of the Azul Cargo Domain Names.

For the avoidance of doubt, the Azul Cargo Intellectual Property excludes the Contributed Intellectual Property.

The New Notes Indenture shall provide that, notwithstanding any other provision of the New Notes Documents, the Parent Guarantor and its Subsidiaries shall be permitted to amend the terms under which the Azul Cargo Intellectual Property is held as collateral securing the New Notes, the New Notes Guarantees and the Azul Cargo Priority Secured Debt in a manner that would not adversely affect the Azul Cargo Intellectual Property or adversely affect the interests of the Holders (in each case as determined by the New Notes Issuer in good faith), which includes the Parent Guarantor and its Subsidiaries being permitted to amend or replace the Azul Cargo Collateral Documents under which the relevant Liens are created (including Azul Cargo Intellectual Property Fiduciary Transfer) and which may, in connection therewith, include a series of substantially concurrent transactions whereby (i) the Liens over the Azul Cargo Intellectual Property are released, (ii) the Azul Cargo Intellectual Property is transferred to any existing or newly-formed Subsidiary of the Parent Guarantor that is incorporated or organized in Brazil, the Cayman Islands or any state of the United States, (iii) the new contribution agreements, license agreements, management agreements and other related documents are substantially consistent *mutatis mutandis* with the Contribution Agreements and the IP Licenses, (iv) the collateral over 100% of the equity interest of the existing or newly formed subsidiary is substantially consistent mutatis mutandis with the Equity Collateral, as applicable, (v) the collateral over rights under the new contribution agreements, license agreements, management agreements and other related documents are substantially consistent *mutatis mutandis* with the collateral documents governed by New York law with respect to the IP Agreements, and (vi) new collateral documents over Azul Cargo Intellectual Property and related documents are substantially consistent *mutatis mutandis* with the collateral documentation governed by New York or Brazilian law, as applicable, in respect of the Contributed Intellectual Property.

Certain capitalized terms used in this section are as defined in "Description of New Notes—Certain Definitions." For a detailed description of the administration and sharing of the Collateral and the enforcement of liens, see "Description of New Notes—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement."

DESCRIPTION OF NEW NOTES

The definitions for certain capitalized terms used in the following description can be found under "—Certain Definitions" below. References in this "Description of New Notes" section to the "Issuer" is to Azul Secured Finance LLP (which is referred to as the New Notes Issuer in certain other sections of this Offering Memorandum), references to the "IP Parties" are to IP Co and IP HoldCo and references to the "Parent Guarantor" and "Azul" are to Azul S.A., in each case on a stand-alone basis without their or its respective subsidiaries.

We will issue the New Notes under the Base Indenture, dated as of the first Settlement Date, among (i) the Issuer, (ii) the Parent Guarantor, (iii) Azul Linhas, (iv) IntelAzul, (v) Azul Viagens, (vi) IP HoldCo, (vii) IP Co, (viii) the Trustee (which is referred to as the New Notes Trustee in certain other sections of this Offering Memorandum), (ix) the U.S. Collateral Agent, and (x) the Brazilian Collateral Agent. The New 2029 Notes will be issued pursuant to the First Supplemental Indenture to the Base Indenture and the New 2030 Notes will be issued pursuant to the Second Supplemental Indenture to the Base Indenture. As used herein, references to the New Notes Indenture shall be deemed to be include, in relation to the New 2029 Notes or the New 2030 Notes, respectively, the relevant supplemental indenture pursuant to which such series of New Notes is issued.

The following summarizes the material provisions of the New Notes Indenture, the New Notes, the Collateral Documents and the Azul Cargo Collateral Documents. The following description does not purport to be complete and is subject to, and qualified by reference to, all of the provisions of the New Notes Indenture, the New Notes, the Collateral Documents and the Azul Cargo Collateral Documents, which we urge you to read because they, and not this description, define your rights as a note holder.

Registered holders of the New Notes (each, a "Holder") will be treated as the owner of it for all purposes under the New Notes Indenture.

General

We will initially issue a U.S. dollar aggregate principal amount of 11.500% Secured Second Out Notes due 2029 determined in accordance with the terms of the relevant Exchange Offer and a U.S. dollar aggregate principal amount of 10.875% Secured Second Out Notes due 2030 determined in accordance with the terms of the relevant Exchange Offer.

The New 2029 Notes will mature on May 28, 2029 and the New 2030 Notes will mature on May 28, 2030. No principal on the New Notes is scheduled to be paid in respect of the New Notes until the applicable maturity date of the New Notes of the relevant series. The New Notes will be denominated in U.S. dollars and all payments of principal and interest thereon will be paid in U.S. dollars. The Issuer's payment obligations under the New Notes will be direct senior obligations of the Issuer, ranking equally with all of the Issuer's other unsubordinated obligations (except those obligations preferred by operation of law, including labor and tax claims, and except as provided with respect to the First Priority Secured Debt under "—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement").

The New Notes and the New Notes Guarantees 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 Secured Debt (including the New Notes Guarantees), on a "second out" basis after the payment of amounts due and payable in respect of the First Priority Secured Obligations, as described further under "—Ranking of the New Notes and the New Notes Guarantees" and "—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" below.

The New Notes and the New Notes Guarantees will also be secured by the Azul Cargo Collateral. At any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens. Prior to the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "first out" basis (as the New Notes Secured Obligations shall be the only obligations secured by the Azul Cargo Collateral prior to the Azul Cargo Collateral Sharing Trigger Date). Following the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and have

the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "second out" basis in accordance with the provisions of the Azul Cargo Intercreditor Agreement, as described further under "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement" below.

The New 2029 Notes will bear interest at the rate of 11.500% per year and the New 2030 Notes will bear interest at the rate of 10.875% per year, in each case, on the principal amount thereof from the original issue date or from the most recent date to which interest has been paid or for which interest has been provided. Interest is payable quarterly in arrears on each February 28, May 28, August 28 and November 28 (each such date, a "New Notes Interest Payment Date"); *provided* that if any payment with respect to interest on the New Notes is due on a day which is not a Business Day, then the payment need not be made on such date, but may be made on the next Business Day with the same force and effect as if made on such date. Payments will be made on each New Notes Interest Payment Date to Holders of record at the close of business on the Business Day immediately preceding such New Notes Interest Payment Date. The first New Notes Interest Payment Date will be August 28, 2023. Each payment of interest on the New Notes will include interest accrued through to, but excluding, the applicable New Notes Interest Payment Date (or redemption date, as the case may be). Interest is calculated using a 360-day year composed of twelve 30-day months.

The New Notes will be issued in the form of global notes without coupons and registered in the name of a nominee of DTC. The New Notes will be issued in a minimum denomination of US$175,000 and integral multiples of US$1.00 in excess thereof. See "—Book-Entry, Delivery and Form." Application will be made for the listing of and quotation of the New Notes on the Official List of the SGX-ST. The New Notes will be traded on the SGX-ST in a minimum board lot size of US$175,000 (or the equivalent in foreign currencies) for so long as the New Notes are listed on the SGX-ST.

Interest Rate Step-up

If the LTV Ratio (calculated as to First Priority Secured Debt only) calculated using an Annual Appraisal delivered pursuant to the requirements of the New Notes Indenture exceeds 62.5% then, with effect from the New Notes Interest Payment Date following the date of delivery of such Annual Appraisal to the Trustee, the interest rate on the New Notes of each series shall increase by 2.000% (the "LTV Step-up Amount"). The LTV Step-up Amount shall cease to apply with effect from the New Notes Interest Payment Date following the date of delivery to the Trustee of an Appraisal pursuant to which the LTV Ratio (calculated as to First Priority Secured Debt only) calculated using such Appraisal does not exceed 62.5%. The Parent Guarantor may elect (in its sole discretion) to re-test the LTV Ratio at any time and deliver such Appraisal to the Trustee.

Further Issuances

If the Existing Notes Issuer elects to have an Early Settlement Date in respect of a series of New Notes in accordance with the terms of the Exchange Offers described elsewhere in this Offering Memorandum, Holders who validly tender Existing Notes of a series after the Early Participation Deadline but on or before the Expiration Deadline and whose Existing Notes are accepted for exchange by the Existing Notes Issuer, will receive the applicable principal amount of New Notes of the relevant series that will be issued on the Final Settlement Date.

In addition, we may, from time to time, to the extent permitted under the New Notes Indenture and as described under "Certain Covenants—Incurrence of Indebtedness" and "Certain Covenants—Liens" in connection with the issuance of Permitted Additional New Notes, without notice to, or the consent of, the Holders of the New Notes of the relevant series, increase the principal amount of the New Notes of the relevant series under the New Notes Indenture and issue such increased principal amount (or any portion thereof) of New Notes of the relevant series (any such additional New Notes of the relevant series, the "Additional Notes" of the relevant series).

Any Additional Notes so issued will have identical terms and conditions (other than the issue price, issuance date, first New Notes Interest Payment Date, the date from which interest will accrue and, to the extent necessary, certain temporary securities law transfer restrictions), will be secured on a *pari passu* basis (as to the New Notes) by the Shared Collateral and the Azul Cargo Collateral and will be consolidated and will form a single class with the then-outstanding New Notes of the relevant series, *provided* that if such Additional Notes are not fungible with the

New Notes of the relevant series offered hereby for U.S. federal income tax purposes, such Additional Notes will have one or more separate CUSIP and/or other securities numbers.

Furthermore, we may, from time to time, to the extent permitted under the New Notes Indenture (which includes the First Supplemental Indenture in relation to the New 2029 Notes and the Second Supplemental Indenture in relation to the New 2030 Notes), and as described under "Certain Covenants—Incurrence of Indebtedness" and "Certain Covenants—Liens," without notice to, or the consent of the Holders of, the New Notes of the relevant series, issue one or more series of additional notes (and related guarantees) under the Base Indenture and any supplemental indenture thereto, provided that any such additional notes constitute a Series of First Priority Secured Debt.

The New Notes Indenture contains no covenants or other provisions to afford protection to Holders of New Notes in the event of a highly leveraged transaction or a change in control except to the extent described under "—Certain Covenants—Parent Change of Control Offer to Purchase" and "—Merger, Consolidation and Sales of Assets."

New Notes Guarantees

Each of the Guarantors will fully, unconditionally and irrevocably guarantee the due and punctual payment of the unpaid principal and interest on (including interest accruing after the Stated Maturity or after the filing of any petition of bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Issuer, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) on each New Note, whether at the Stated Maturity, upon redemption, upon acceleration, upon required repurchase at the option of the holder or otherwise according to the terms thereof and of the New Notes Indenture and all other Obligations, which will be joint and several. Each New Notes Guarantee is a primary obligation of the relevant Guarantor and not merely a contract of surety. The New Notes Guarantees will provide that any indebtedness owed by a Guarantor to any Obligor will be subordinated in right of payment to the New Notes Guarantees.

The payment obligations of the Guarantors under their respective New Notes Guarantees will be direct senior obligations of the relevant Guarantor, ranking equally with all of such Guarantor's other unsubordinated obligations (except those obligations preferred by operation of law, including labor and tax claims, and except as provided with respect to the First Priority Secured Debt under "—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" and except as provided with respect to the Azul Cargo Priority Secured Debt under "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement").

Each New Notes Guarantee 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 Secured Debt (including the New Notes Guarantees), on a "second out" basis after the payment of amounts due and payable in respect of the First Priority Secured Obligations, as described further under "—Ranking of the New Notes and the New Notes Guarantees" and "—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" below.

The New Notes and the New Notes Guarantees will also be secured by the Azul Cargo Collateral. At any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens. Prior to the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "first out" basis (as the New Notes Secured Obligations shall be the only obligations secured by the Azul Cargo Collateral prior to the Azul Cargo Collateral Sharing Trigger Date). Following the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "second out" basis in accordance with the provisions of the Azul Cargo Intercreditor Agreement, as described further under "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement" below.

There is a risk that the New Notes Guarantees are voidable under applicable law relating to fraudulent transfer or conveyance or similar laws affecting the rights of creditors generally. See "Risk Factors—Risks Relating to the

New Notes—The New Notes Guarantees may not be enforceable if deemed fraudulent and declared void." The New Notes Indenture provides that, in the event that New Notes Guarantees would constitute such a fraudulent transfer or conveyance or violation of similar laws, then the liability of the relevant Guarantor under the applicable New Notes Guarantee will be reduced to the extent necessary to eliminate such fraudulent transfer or conveyance or violation.

The New Notes Guarantees may not be enforceable under Brazilian law in certain events of insolvency. While Brazilian law does not prohibit the granting of guarantees, in the event that the Guarantors were to become insolvent or the guarantee is granted (i) up to two years before the declaration of bankruptcy (*falência*), and (ii) the transaction is found to be gratuitous (if fair consideration is not given in exchange for its New Notes Guarantee), the New Notes Guarantee would be deemed fraudulent and declared void. The measures of insolvency for purposes of this fraudulent transfer in the relevant jurisdictions of any future guarantors may differ in a less favorable manner from those measures applicable under U.S. law, and there can be no assurance as to how the insolvency laws of the various jurisdictions in which we operate will be applied in relation to one another. If we cannot satisfy our obligations under the New Notes of the relevant series and any New Notes Guarantee is found to be a fraudulent transfer or conveyance, we cannot assure you that you will ever be paid in full any amounts outstanding under the New Notes of the relevant series. In addition, the liability of the Guarantors will be limited to the amount that will result in their New Notes Guarantee not constituting a fraudulent conveyance or improper corporate distribution, and there can be no assurance as to what standard a court would apply in making a determination of the maximum liability of the Guarantors. Should any of the foregoing events occur, we cannot assure you that the Guarantors would have sufficient assets to pay amounts due under the relevant New Notes Guarantees.

In addition, under Brazilian law, a guarantee is considered an ancillary obligation to the underlying or principal obligation of the Issuer, and Brazilian law establishes that the invalidity of the principal obligation results in the invalidity of the ancillary obligation. Therefore, in case a judgment passed in any jurisdiction holding the underlying obligations invalid, the right of Holders to enforce their rights under the New Notes Guarantee against the Obligors could be impaired. This is the case if the decision is rendered in Brazil or in a foreign jurisdiction, but dully recognized before the Brazilian Superior Court of Justice.

The Guarantors will be automatically and unconditionally released from all Obligations under the New Notes Guarantees upon the legal defeasance of the New Notes of the relevant series in accordance with the terms of the New Notes Indenture. See "—Satisfaction and Discharge of the New Notes Indenture; Defeasance."

The Trustee shall execute and deliver, at the Issuer's expense, such documents as the Issuer or any Guarantor may reasonably request and prepare to evidence the release of the New Notes Guarantee of such Guarantor.

Ranking of the New Notes and the New Notes Guarantees

The New Notes and the New Notes Guarantees rank (i) equally in right of payment with all of the Obligors' existing and future senior unsubordinated obligations (except those obligations preferred by operation of law, including labor and tax claims, and except as provided with respect to the First Priority Secured Debt under "—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" and except as provided with respect to the Azul Cargo Priority Secured Debt under "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement"), (ii) senior in right of payment to the Obligors' existing and future subordinated indebtedness, (iii) effectively senior to all existing and future indebtedness of the Obligors that is not secured by a lien, to the extent of the value of (a) the Shared Collateral after payment in full of the First Priority Secured Obligations and giving effect to the rights of the First Priority Secured Debt to receive payments prior to the New Notes, and (b) the Azul Cargo Collateral after payment in full of the Azul Cargo Priority Secured Debt and giving effect to the rights of the Azul Cargo Priority Secured Debt to receive payments prior to the New Notes, (iv) effectively subordinated to any existing or future indebtedness of the Obligors that is secured by liens on assets that do not constitute a part of the Shared Collateral and the Azul Cargo Collateral to the extent of the value of such assets, (v) effectively subordinated to any existing or future First Priority Secured Debt (including the AerCap Secured Obligations and the Convertible Debentures) that is secured by the Collateral on a "first out" basis pursuant to the terms of the Intercreditor Agreement which First Priority Secured Debt has the right to receive payments, including the proceeds of any enforcement of Shared Collateral, or any guarantees of any Series of Secured Debt (including the New Notes Guarantees), on a "first out" basis prior to the payment of amounts due and payable in respect of the New Notes Secured Obligations, except in certain cases as set forth under "—Description of Collateral

Documents—Shared Collateral and Intercreditor Agreement," and (vi) effectively subordinated to any existing or future Azul Cargo Priority Secured Debt that is secured by the Azul Cargo Collateral on a "first out" basis pursuant to the terms of the Azul Cargo Intercreditor Agreement which Azul Cargo Priority Secured Debt has the right to receive payments, including the proceeds of any enforcement of Azul Cargo Collateral, on a "first out" basis prior to the payment of amounts due and payable in respect of the New Notes and the New Notes and New Notes Guarantees, except in certain cases as set forth under "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement." See "Risk Factors—Risks Relating to the New Notes—The obligations under the New Notes will be subordinated to certain statutory liabilities," "Risk Factors—Risks Relating to the New Notes—Insolvency laws in the United States, Cayman Islands and in Brazil may preclude holders of New Notes from recovering payments due on the New Notes" and "Risk Factors—Risks Relating to the New Notes—The insolvency laws of Brazil may provide you with less protection than would be the case under U.S. bankruptcy laws."

The New Notes and New Notes Guarantees will be structurally subordinated to all existing and future obligations of any such Subsidiaries that do not guarantee the New Notes ("Non-Guarantor Subsidiaries"). The ability of creditors, including the Holders, to participate in any distribution of assets of any Non-Guarantor Subsidiary upon liquidation or bankruptcy will be subject to the prior claims of that Non-Guarantor Subsidiary's creditors, including trade creditors, and any prior or equal claim of any equity holder of that Non-Guarantor Subsidiary. As a result, you may receive less, proportionately, than the creditors of any Non-Guarantor Subsidiaries. See "Risk Factors—Risks Relating to the New Notes—The New Notes and the New Notes Guarantees are structurally subordinated to all obligations of the Parent Guarantor's subsidiaries that do not guarantee the New Notes."

If the Convertible Debentures and the AerCap Secured Obligations had constituted First Priority Secured Debt as of March 31, 2023, and December 31, 2022, we would have had R$1,759.6 million (or US$346.4 million) and R$580.7 million (or US$114.3 million) aggregate principal amount of First Priority Secured Debt, respectively, all of which would have been effectively senior to the New Notes, in addition to R$17,063.4 million (US$3,358.7 million) and R$17,329.7 million (US$3,411.1 million), respectively, in other secured debt (each U.S. dollar amount being based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00).

Subject to the Intercreditor Agreement, including the right of the First Priority Secured Debt to receive payment prior to the New Notes, to the extent the Shared Collateral is not sufficient to repay all Secured Obligations, the Holders of the New Notes will participate ratably with all other general creditors of Obligors based upon the respective amounts owed to each holder or creditor, in the remaining unencumbered assets of Obligors. Subject to the Azul Cargo Intercreditor Agreement, to the extent the Azul Cargo Collateral is not sufficient to repay all obligations under the New Notes and the New Notes Guarantees, Holders of the New Notes will participate with all other general creditors of Obligors, based upon the respective amounts owed to each holder or creditor, in the remaining unencumbered assets of Obligors. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the New Notes.

Security

The Collateral securing the New Notes and the New Notes Guarantees will generally consist of the Shared Collateral and the Azul Cargo Collateral, as described below.

Shared Collateral

The New Notes and the New Notes Guarantees are New Notes Secured Obligations and shall be secured by the Shared Collateral (subject to Permitted Collateral Liens), and shall have the right to receive payments from such Shared Collateral, including the proceeds of any enforcement of Shared Collateral, on a "second out" basis in accordance with the provisions of the Intercreditor Agreement.

The Shared Collateral will generally consist of:

- the Equity Collateral;

- the Assigned TudoAzul Receivables;
- the Assigned Azul Viagens Receivables;
- the rights of the IP Parties and Azul Linhas under the IP Agreements;
- the Controlled Accounts in each case including all amounts credited thereto or carried therein, any and all investments held in such Controlled Accounts any and all other financial assets credited thereto or carried therein and any and all security entitlements with respect to such financial assets;
- the Contributed Intellectual Property;
- the Intercompany Loans Fiduciary Assignment;
- all other right, title and interest, whether now owned or hereafter existing and wherever located, in, to and under all assets of the IP Parties;
- any Additional Collateral; and
- any Additional Intercompany Indebtedness Collateral (as defined under "Description of New Notes—Security—Additional Collateral").

Azul Cargo Collateral

The New Notes and the New Notes Guarantees shall also be secured by the Azul Cargo Collateral (subject to Permitted Azul Cargo Liens).

The Azul Cargo Collateral will generally consist of:

- the Azul Cargo Fiduciary Assignment in respect of the Designated Azul Cargo Credit Card and Debit Card Receivables, and the Azul Cargo Receivables Deposit Account;
- a control agreement over the Azul Cargo Receivables Deposit Account; and
- the Azul Cargo Intellectual Property.

At any time, the Parent Guarantor and its Subsidiaries shall be entitled to incur Azul Cargo Priority Secured Debt that is secured by Permitted Azul Cargo Financing Liens in an aggregate principal amount of Azul Cargo Priority Secured Debt at any time outstanding not to exceed US$800.0 million (or the equivalent thereof in other currencies). Prior to the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees will be secured by the Azul Cargo Collateral, and shall have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "first out" basis (as the New Notes Secured Obligations shall be the only obligations secured by the Azul Cargo Collateral prior to the Azul Cargo Collateral Sharing Trigger Date). Following the Azul Cargo Collateral Sharing Trigger Date, the Azul Cargo Intercreditor Agreement shall be entered into as contemplated under "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement" below.

Following the Azul Cargo Collateral Sharing Trigger Date, the New Notes and the New Notes Guarantees shall be secured by the Azul Cargo Collateral (subject to Permitted Azul Cargo Liens), and have the right to receive payments from such Azul Cargo Collateral, including the proceeds of any enforcement of the Azul Cargo Collateral, on a "second out" basis in accordance with the provisions of the Azul Cargo Intercreditor Agreement. See "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement" below.

Collateral Documents

The Shared Collateral will be pledged pursuant to the Collateral Documents creating and establishing the terms of the security interests that secure the Secured Obligations (including the New Notes of the relevant series and the New Notes Guarantees). The Azul Cargo Collateral will be pledged pursuant to the Azul Cargo Collateral Documents creating and establishing the terms of the security interests that secure the New Notes of the relevant series and the New Notes Guarantees and the Azul Cargo Priority Secured Debt. By their acceptance of the New

Notes of the relevant series, the Holders will be deemed to have approved the terms of, and to have authorized the Trustee, the Brazilian Collateral Agent and the U.S. Collateral Agent, as the case may be, to enter into and to perform, each of the Collateral Documents and each of the Azul Cargo Collateral Documents.

The Obligors shall, in each case at their own expense, (A) promptly execute and deliver to the Collateral Agents such Collateral Documents and take such actions to create, grant, establish, preserve and perfect the applicable Liens (subject to Permitted Collateral Liens) (including to obtain any release or termination of Liens not permitted under "—Limitation on Liens" and made all necessary filings) in favor of the applicable Collateral Agent for the benefit of the Secured Parties on such assets of the Issuer or such other Obligor, as applicable, to secure the Obligations to the extent required under the applicable Collateral Documents, and to ensure that such Collateral shall be subject to no other Liens other than any Permitted Collateral Liens and (B) if reasonably requested by the Trustee or any Collateral Agent, deliver to the Trustee, for the benefit of the Trustee and the Holders of the outstanding New Notes from time to time (the "Notes Secured Parties") and the Collateral Agents, a customary written opinion of counsel to the Issuer or such other Obligor, as applicable, with respect to the matters described in clause (A) hereof, in each case within 20 Business Days after the addition of such Collateral.

The Obligors shall, in each case at their own expense, (A) promptly execute and deliver to the Collateral Agents such Azul Cargo Collateral Documents and take such actions to create, grant, establish, preserve and perfect the applicable Liens (subject to Permitted Azul Cargo Liens) (including to obtain any release or termination of Liens not permitted under "—Limitation on Liens" and made all necessary filings) in favor of the applicable Collateral Agent for the benefit of the New Notes and the New Notes Guarantees on such assets of the Issuer or such other Obligor, as applicable, to secure the New Notes and the New Notes Guarantees to the extent required under the applicable Azul Cargo Collateral Documents, and to ensure that such Azul Cargo Collateral shall be subject to no other Liens other than any Permitted Azul Cargo Liens and (B) if reasonably requested by the Trustee or any Collateral Agent, deliver to the Trustee, for the benefit of the Notes Secured Parties and the Collateral Agents, a customary written opinion of counsel to the Issuer or such other Obligor, as applicable, with respect to the matters described in clause (A) hereof, in each case within 20 Business Days after the addition of such Azul Cargo Collateral.

Possession of the Collateral

So long as the New Notes of the relevant series have not been accelerated, and otherwise subject to the terms of the Intercreditor Agreement or the Azul Cargo Intercreditor Agreement, as applicable, the Issuer and Guarantors are entitled to remain in possession and retain exclusive control over the Collateral (other than as set forth in the Collateral Documents and the Azul Cargo Collateral Documents, as applicable), and to collect, invest and dispose of any income thereon. Upon acceleration of either series of New Notes of the relevant series, unless such acceleration has been rescinded as provided under "—Events of Default," to the extent permitted by law and following notice by the Trustee to the Issuer and the other Obligors in accordance with the Intercreditor Agreement, the Azul Cargo Intercreditor Agreement and the New Notes Indenture, the relevant Collateral Agent may (and if so instructed, shall) enforce rights and remedies against the Collateral, including foreclosing upon the Collateral or any part thereof in accordance with and subject to the terms of (i) the Collateral Documents and the Intercreditor Agreement (which may require the instruction of the Controlling Creditors in certain circumstances), and (ii) the Azul Cargo Collateral Documents and the Azul Cargo Intercreditor Agreement.

Further Assurances in Respect of Shared Collateral

In each case, subject to the terms, conditions and limitations in the New Notes Indenture and the Collateral Documents, the Issuer and other Obligors shall execute any and all further documents and instruments, and take all further actions, that may be required under applicable law or that any Collateral Agent may reasonably request, in order to create, grant, establish, preserve, protect and perfect the validity, perfection and priority of the Liens and security interests created or intended to be created by the Collateral Documents (including with respect to any Additional Collateral), in each case to the extent required under the New Notes Indenture, the Collateral Documents or the Intercreditor Agreement.

Promptly after the date upon which it is permissible to contribute any Specified IP, the applicable Contributing Parties and the IP Parties shall, if such Specified IP is not contributed pursuant to an existing Contribution Agreement, execute and deliver one or more Contribution Agreements together with all further documents and instruments that may be required, and take all further actions that may be required under applicable law or that the

U.S. Collateral Agent may reasonably request, to contribute all of such Contributing Parties' right, title and interest in and to such Specified IP to IP Co, and shall promptly provide the Trustee and the U.S. Collateral Agent copies of any such documents.

The New Notes Indenture shall provide that each of the Contributing Parties covenants and agrees to perform and comply with its obligations under the Contribution Agreements, including, without limitation, its obligation to contribute, transfer or assign later developed or acquired Contributed Intellectual Property, subject to the terms of the Contribution Agreements.

Further Assurances in Respect of Azul Cargo Collateral

In each case, subject to the terms, conditions and limitations in the New Notes Indenture, the Obligors, the Trustee and the Collateral Agents shall execute any and all further documents and instruments, and take all further actions, that may be required under applicable law or that any secured party, agent or representative in connection with any Azul Cargo Collateral may reasonably request, in order to (i) create, grant, establish, preserve, protect and perfect the validity, perfection and priority of any Liens on the Azul Cargo Collateral and security interests created or intended to be created by the Azul Cargo Collateral Documents, in accordance with the terms of the Azul Cargo Intercreditor Agreement, or (ii) implement or evidence the release of any Permitted Azul Cargo Liens contemplated under "—Release of Azul Cargo Collateral" below.

The New Notes Indenture shall provide that, notwithstanding any other provision of the New Notes Documents, the Parent Guarantor and its Subsidiaries shall be permitted to amend the terms under which the Azul Cargo Intellectual Property is held as collateral securing the New Notes, the New Notes Guarantees and the Azul Cargo Priority Secured Debt in a manner that would not adversely affect the Azul Cargo Intellectual Property or adversely affect the interests of the Holders (in each case as determined by the New Notes Issuer in good faith), which includes the Parent Guarantor and its Subsidiaries being permitted to amend or replace the Azul Cargo Collateral Documents under which the relevant Liens are created (including Azul Cargo Intellectual Property Fiduciary Transfer) and which may, in connection therewith, include a series of substantially concurrent transactions whereby (i) the Liens over the Azul Cargo Intellectual Property are released, (ii) the Azul Cargo Intellectual Property is transferred to any existing or newly-formed Subsidiary of the Parent Guarantor that is incorporated or organized in Brazil, the Cayman Islands or any state of the United States, (iii) the new contribution agreements, license agreements, management agreements and other related documents are substantially consistent *mutatis mutandis* with the Contribution Agreements and the IP Licenses, (iv) the collateral over 100% of the equity interest of the existing or newly formed subsidiary is substantially consistent mutatis mutandis with the Equity Collateral, as applicable, (v) the collateral over rights under the new contribution agreements, license agreements, management agreements and other related documents are substantially consistent *mutatis mutandis* with the collateral documents governed by New York law with respect to the IP Agreements, and (vi) new collateral documents over Azul Cargo Intellectual Property and related documents are substantially consistent *mutatis mutandis* with the collateral documentation governed by New York or Brazilian law, as applicable, in respect of the Contributed Intellectual Property.

Release of Shared Collateral

The Liens granted to the relevant Collateral Agent by the relevant Obligors on any Shared Collateral shall be automatically and unconditionally released with respect to the New Notes and the New Notes Guarantees (i) upon the sale or other disposition of such Shared Collateral (including as part of or in connection with any other sale or other disposition permitted under the New Notes Indenture) to any Person (other than an Obligor) to the extent such sale or other disposition is made in compliance with the terms of the Secured Debt Documents and the Collateral Documents (and any Collateral Agent shall, without further inquiry, rely conclusively on an Officer's Certificate and/or opinion of counsel to that effect provided to it by the Issuer and other Obligor, including upon its reasonable request), (ii) to the extent such Shared Collateral is comprised of property leased to an Issuer or another Obligor, upon termination or expiration of such lease, (iii) if the release of such Lien is approved, authorized or ratified in writing by all Secured Debt Representatives under the Intercreditor Agreement, and (iv) as required to effect any sale or other disposition of Shared Collateral in connection with any exercise of remedies of any Collateral Agent pursuant to the Collateral Documents.

Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those being released) upon (or obligations (other than those being released) of the Issuer and the other Obligors in

respect of) all interests retained by the Issuer and the other Obligors, including the proceeds of any sale, all of which shall continue to constitute part of the Shared Collateral except to the extent otherwise released in accordance with the provisions of the New Notes Indenture and the Collateral Documents.

Upon any discharge of Secured Obligations with respect to any Series of Secured Debt, then (i) the application of the provisions of the Intercreditor Agreement to such discharged Series of Secured Debt shall automatically cease, (ii) such discharged Series of Secured Debt shall automatically no longer be secured by the Liens granted in favor of the relevant Collateral Agent and (iii) the applicable Collateral Agent, at the request and sole expense of the Grantors, shall, upon its receipt of the deliverables required by the Intercreditor Agreement, execute and deliver to the Grantors all releases or other documents reasonably necessary or desirable to evidence the foregoing.

Release of Azul Cargo Collateral

The Permitted Azul Cargo Liens granted on any Azul Cargo Collateral shall be automatically and unconditionally released with respect to the New Notes and the New Notes Guarantees (i) upon any sale or transfer of any part of the Azul Cargo Collateral that is not prohibited by the terms of any Azul Cargo Priority Secured Debt Document, provided that the proceeds arising from such sale or transfer are used for the repayment or redemption of the Azul Cargo Priority Secured Debt and/or the New Notes as applicable in accordance with the Azul Cargo Intercreditor Agreement, or (ii) upon any sale or transfer of any part of the Azul Cargo Collateral if such sale or transfer is effected as a result of any secured party, agent or representative exercising remedies against all or any part of the Azul Cargo Collateral resulting in a sale, transfer or disposition thereof, *provided* that, in the case of (ii) only, (A) such Permitted Azul Cargo Lien shall attach to the proceeds of such sale or transfer and (B) the proceeds of such sale or transfer are applied in accordance with the Azul Cargo Intercreditor Agreement.

Additional Collateral

The Obligors or any Subsidiary of the Parent Guarantor (i) shall grant Liens on Additional Collateral to the extent required pursuant to the terms of the New Notes Indenture, and (ii) shall, in their sole or absolute discretion, be permitted to grant Liens on other assets of the Parent Guarantor or any of its Subsidiaries, in each case to secure the New Notes and the New Notes Guarantees and any other Indebtedness that is secured by the Shared Collateral as permitted by "—Incurrence of Indebtedness;" provided that, if a Subsidiary of the Parent Guarantor grants Liens on Additional Collateral or any of its assets, such Subsidiary shall promptly become a Guarantor under the New Notes, in accordance with the New Notes Indenture and a guarantor of each other Series of Secured Debt in accordance with the terms of the applicable Secured Debt Document. If the Obligors grant any Additional Collateral (other than Non-Shared Collateral) to secure such other Indebtedness that is secured by the Shared Collateral, such Additional Collateral shall also secure the New Notes and the New Notes Guarantees on the same basis as the Shared Collateral securing the New Notes and the New Notes Guarantees on the date of this Offering Memorandum pursuant to the terms of the Intercreditor Agreement. Therefore, the New Notes and the New Notes Guarantees would be secured by such Additional Collateral on a "second out" basis pursuant to the terms of the Intercreditor Agreement and would have the right to receive payments from such Additional Collateral, including the proceeds of any enforcement of such Additional Collateral, on a "second out" basis after the payment of amounts due and payable in respect of the First Priority Secured Obligations, as described further under "—Ranking of the New Notes and the New Notes Guarantees" and "—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" below.

If the Parent Guarantor or any of its Subsidiaries creates or permits to subsist any intercompany Indebtedness between (i) the Parent Guarantor and any of its Subsidiaries that is not an Obligor, or (ii) between Subsidiaries of the Parent Guarantor where one such Subsidiary is not an Obligor, under which, in respect of any such Indebtedness (taken individually) is of an aggregate principal amount in excess of US$20.0 million, then the Parent Guarantor or the relevant Subsidiary shall be required to grant promptly, and in any event within 30 calendar days, a Lien over the receivables under such intercompany Indebtedness ("Additional Intercompany Indebtedness Collateral").

Additional Collateral in Connection with a Permitted Acquisition Loyalty Program or a Permitted Acquisition Travel Package Business

The Obligors shall be required to grant Additional Collateral to secure the New Notes and the New Notes Guarantees and any other Indebtedness that is secured by the Shared Collateral as permitted by "—Incurrence of

Indebtedness" in connection with a Permitted Acquisition Loyalty Program or a Permitted Acquisition Travel Package Business as provided below.

Prior to, or no later than 120 days following, the consummation of the merger or other acquisition transaction by the Parent Guarantor or any of its Subsidiaries (other than an IP Party) of a Specified Acquisition Entity (the "Permitted Acquisition Closing Date"), the Parent Guarantor shall determine whether or not to terminate the Permitted Acquisition Loyalty Program or Permitted Acquisition Travel Package Business, as applicable. If the Parent Guarantor determines not to terminate such Permitted Acquisition Loyalty Program or Permitted Acquisition Travel Package Business, as applicable, then, no later than 180 days following the Permitted Acquisition Closing Date, the Parent Guarantor and its Subsidiaries shall be required to either:

(a) merge, consolidate or otherwise integrate the business of such Permitted Acquisition Loyalty Program into the TudoAzul Program, or merge, consolidate or otherwise integrate the business of such Permitted Acquisition Travel Package Business into the Azul Viagens Business, as the case may be; or

(b) in the case of (i) a Permitted Acquisition Loyalty Program, grant a Loyalty Program Pledge with respect thereto, or (ii) a Permitted Acquisition Travel Package Business, grant a Travel Package Business Pledge with respect thereto, in each case, subject to Third-Party Rights and other Permitted Collateral Liens.

Notwithstanding the foregoing, the Parent Guarantor and its Subsidiaries will not be required to comply with the requirements set forth above to the extent that any applicable Governmental Authority does not provide an approval required for the granting of the applicable Loyalty Program Pledge or Travel Package Business Pledge; provided that the Parent Guarantor or its applicable Subsidiary has used commercially reasonable efforts to obtain such approval. In addition, the amount of the Secured Obligations secured by the aforementioned Additional Collateral shall be limited to the maximum amount that would not (i) render the obligations of the Parent Guarantor or any of its Subsidiaries subject to avoidance under applicable law, including applicable fraudulent conveyance or similar laws, or (ii) result in a breach or violation of any then-existing agreement to which the Parent Guarantor or any of its Subsidiaries is party, or any then-existing agreement related to the Permitted Acquisition Loyalty Program or Permitted Acquisition Travel Package Business, as applicable, in each case that was not entered into in contemplation of such merger or acquisition.

Following the foregoing 120 day period (if the Parent Guarantor determines to terminate the Permitted Acquisition Loyalty Program or Permitted Acquisition Travel Package Business, as applicable) or the foregoing 180 day period (if the Parent Guarantor determines not to terminate the Permitted Acquisition Loyalty Program or Permitted Acquisition Travel Package Business, as applicable), the applicable acquired Loyalty Program or Travel Package Business shall cease to be considered a "Permitted Acquisition Loyalty Program" or "Permitted Acquisition Travel Package Business", respectively.

Following any such merger, consolidation or integration contemplated by clause (a), or any Loyalty Program Pledge with respect to a Permitted Acquisition Loyalty Program or Travel Package Business Pledge with respect to a Permitted Acqusition Travel Package Business contemplated by clause (b), as applicable, the TudoAzul Receivables Collateral Coverage Covenant or the Azul Viagens Collateral Coverage Covenant, as applicable, would apply to the enlarged TudoAzul Program or Azul Viagens Business, as applicable, and the relevant additional Intellectual Property would, subject to the terms and conditions of the Contribution Agreements, constitute Contributed Intellectual Property and be subject to the requirements of the Collateral Documents in respect of after-acquired Intellectual Property.

Description of Collateral Documents

Pursuant to the Collateral Documents, in order to secure the payment or performance, as the case may be, in full of all of the Obligations, the Obligors will grant to the applicable Collateral Agents, its respective successors and permitted assigns, for its benefit and the benefit of the New Notes Secured Parties, a security interest in all of such Grantor's right, title and interest in the Collateral.

Remedies of the Applicable Collateral Representatives

Pursuant to the Collateral Documents, upon the occurrence and during the continuance of any event of default (or equivalent event) under any Secured Debt Document (which, in relation to the AerCap Secured Obligations shall be limited to events of default relating to payment defaults) and subject in all respects to the terms of the Intercreditor Agreement, the Collateral Documents and the New Notes Indenture, including the ability to cure any event of default (or equivalent event) under the Secured Debt Documents, (a) the Representative of any Series of Secured Debt as to which an event of default (or equivalent event) has occurred and is continuing may instruct the Applicable Collateral Representatives to exercise Cash Control and (b) the Controlling Creditors under the Intercreditor Agreement shall be permitted and authorized to direct the Applicable Collateral Representatives in writing to take such actions (and the exercise of any and all rights, remedies and options) as they may be entitled to take under the Secured Debt Documents (including the Collateral Documents), or under applicable laws, or, so long as some or all of the Secured Obligations are then due and payable, to foreclose on the Liens and exercise the right of such Applicable Collateral Representatives to sell the Shared Collateral or any part thereof (or accept a deed in lieu of foreclosure) and sell, lease or otherwise realize upon the Shared Collateral mortgaged, pledged or assigned to such Applicable Collateral Representative under and in accordance with the Collateral Documents (any such written request described in (a) or (b) above that specifies the requested action or actions to be taken in accordance with the Secured Debt Documents and delivered to each Applicable Collateral Representative, a "Remedies Direction") as more fully set forth under "—Shared Collateral and Intercreditor Agreement." The Shared Collateral is vested in and held by the Applicable Collateral Representatives (for the benefit of the Secured Parties and the other Secured Parties under the Intercreditor Agreement) and only the Applicable Collateral Representatives, acting at the direction of the Controlling Creditors, have the right to take actions (and exercise rights, remedies and options) with respect to the Shared Collateral.

If any Applicable Collateral Representative is directed by a Remedies Direction to (a) foreclose upon the assets and properties of any Grantor, (b) otherwise exercise remedies to acquire or transfer (or to cause any assignee or designee to acquire or transfer) ownership of the Issuer or the assets and properties of the Grantors, by assignment in lieu of foreclosure or otherwise or (c) otherwise exercise rights and remedies under the Collateral Documents following an event of default (or equivalent event) under any of the Secured Debt Documents (which, in relation to the AerCap Secured Obligations shall be limited to events of default relating to payment defaults) (a "Remedies Action"), the relevant Applicable Collateral Representative shall notify the Trustee, the other Secured Debt Representatives and the Issuer in writing of such direction.

Notwithstanding the foregoing, the Controlling Creditors shall not be permitted to direct the exercise of any rights or remedies (and in no event shall the Controlling Creditors direct any Applicable Collateral Representative to exercise any rights or remedies, other than suspension) with respect to the Azul Brand Licenses unless and until (i) in the case of any Event of Default that is continuing during any time when Azul Linhas is subject to a proceeding under chapter 11 of the Bankruptcy Code, there is a Brand Case Milestones Termination Event (provided, for the avoidance of doubt, the Azul Brand Licenses may not be terminated except as set forth under "—Brand Suspension and Termination") and (ii) in the case of any other Event of Default, such Event of Default has been continuing for 60 days. For the avoidance of doubt, the Azul Brand Licenses may be suspended or terminated in the circumstances set forth under "—Brand Suspension and Termination."

At the direction of the Controlling Creditors pursuant to a Remedies Direction or other Act of Controlling Creditors, as applicable, the Applicable Collateral Representatives shall, subject to the foregoing, seek to enforce the Collateral Documents and to realize upon the Shared Collateral or, in the case of an insolvency or liquidation proceeding that is also an event of default (or similar event) under the Secured Debt Documents in respect of any Grantor, to seek to enforce the claims of the Secured Parties under the Secured Debt Documents in respect thereof; *provided*, however, that no Applicable Collateral Representative shall be obligated to follow any Remedies Direction or other Act of Controlling Creditors that is in conflict with any provisions of any applicable law, the New Notes Indenture or any other Secured Debt Document or any order of any court or Governmental Authority or would expose such Applicable Collateral Representative to liability or require it to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, for which it has not received security or indemnity (satisfactory to such Applicable Collateral Representative in its sole discretion) in the performance of any of its duties. No Applicable Collateral Representative shall, under any circumstances, be liable to any other Secured Party

or any other Person for following the written directions of the Controlling Creditors (including, without limitation, pursuant to a Remedies Direction).

No Remedies Direction or instruction by the Controlling Creditors will be required to be delivered to any Applicable Collateral Representative in respect of an Event of Default for the Trustee to take action to accelerate Obligations under "—Events of Default——Remedies Exercisable by the Trustee" in accordance with the terms of the New Notes Indenture. The Requisite Noteholders of the relevant series of New Notes may at any time after the occurrence and during the continuance of any Default or Event of Default waive such Event of Default.

Any amounts collected or to be applied by any Applicable Collateral Representative pursuant to the New Notes Indenture or any other Secured Debt Document (other than monies for its own account), in any manner whatsoever received, together with any other monies that may then be held by, or under the control of, the Applicable Collateral Representatives under the Collection Accounts or any Applicable Collateral Representatives in any other Controlled Account, shall be applied after a Designated Default Event, in accordance with the Post-Default Waterfalls.

For purposes of the foregoing, a "Designated Default Event" means the occurrence of any other event of default under any Series of Secured Debt resulting in (i) a Remedies Direction of any sort or (ii) any Series of Secured Debt becoming due and payable either (a) automatically upon the occurrence of a Bankruptcy Event of Default as provided under "—Events of Default—Automatic Acceleration Upon a Bankruptcy Event of Default", or (b) upon acceleration by the Trustee pursuant to the provision described in under "—Events of Default—Remedies Exercisable by the Trustee."

Any action (including any Remedies Action) which has been requested pursuant to a Remedies Direction may be modified, supplemented, terminated and/or countermanded if the Applicable Collateral Representatives shall have received either (i) a revocation notice from the Controlling Creditors or (ii) a notice from the Controlling Creditors which contains different or supplemental directions with respect to such action, in each case, delivered to the Applicable Collateral Representatives (with a copy to the Issuer) by the Controlling Creditors.

Azul Brand Suspension and Termination

Upon the occurrence of any Azul Brand Suspension Event, so long as such event shall be continuing, the applicable licensor or the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) by written notice to the applicable Licensee, may suspend the use of the applicable Azul Brand IP by the applicable Licensee and its sublicensees solely until such Azul Brand Suspension Event shall cease to be continuing.

Upon the occurrence of a Brand Case Milestones Termination Event under any IP License, the applicable Azul Brand License shall immediately and automatically terminate (without any notice to Azul Linhas or any other act by the IP HoldCo, IP Co, the Trustee or the U.S. Collateral Agent) unless the Majority Total Debtholders have otherwise agreed, as notified in writing to the Guarantors, the Trustee and the Applicable Collateral Representative. If any Azul Brand Suspension Event has occurred and continued for more than 180 days under any IP License and Azul Linhas is not then subject to a proceeding under chapter 11 of the Bankruptcy Code, the applicable licensor or the Applicable Collateral Representative (acting at the direction of Controlling Creditors) may terminate such Azul Brand License by written notice to the applicable Licensee.

Upon the termination of any Azul Brand License, the applicable Licensee (and any sublicensee thereof) will immediately cease to be entitled to use and will immediately be required to cease all use of any and all Azul Brand IP, all of the rights granted to such Licensee (and any such sublicensee) under such IP License with respect to the Azul Brand IP will immediately cease and all sublicenses (other than sublicenses granted pursuant to any TudoAzul Agreement or Azul Viagens Agreement, as applicable) shall be automatically terminated, and IP Co and the Applicable Collateral Representative (acting at the direction of the Controlling Creditors) may take all action required to cause such Licensee (and any such sublicensees) to cease use of the Azul Brand IP.

Azul Other IP Termination

Upon the occurrence of any Other IP Termination Event under any IP License, so long as such event shall be continuing, the licensor under such IP License or the Applicable Collateral Representative (acting at the direction of

the Controlling Creditors) by written notice to the applicable Licensee, may terminate the applicable Azul Other IP License.

Upon the termination of an Azul Other IP License, the applicable Licensee (and any sublicensee thereof) will immediately cease to be entitled to use and will immediately be required to cease all use of any and all Azul Other IP, all of the rights granted to such Licensee (and any such sublicensee) under such Azul Other IP License will immediately cease and all sublicenses (other than sublicenses granted pursuant to any TudoAzul Agreement or Azul Viagens Agreement, as applicable) shall be automatically terminated, and IP Co and the U.S. Collateral Agent (acting at the direction of the Controlling Creditors) may take all action required to cause such Licensee (and any such sublicensees) to cease use of the Azul Other IP.

License Fee

For so long as a Specified Event of Default has occurred and is continuing, a license fee of US$50,000,000 per quarter shall be payable as described under "Description of Certain Material Transaction Agreements—IP Licenses."

In the event that any such withholding or deduction is so required, Azul Linhas shall pay, with respect to each payment of or with respect to the IP License Fee, such additional amounts to IP HoldCo as may be necessary to ensure that the net amounts receivable by each of IP HoldCo or IP Co, as applicable, after such withholding or deduction shall equal the respective amounts of IP License Fee which would have been receivable in the absence of such withholding or deduction. In addition, the Parent Guarantor and Azul Linhas agree to indemnify and hold harmless IP HoldCo and IP Co for and against any Taxes imposed or levied on IP HoldCo or IP Co by any jurisdiction or taxing authority (including Brazil, the Cayman Islands and any political subdivision or taxing authority thereof or therein) on or with respect to the receipt, payment or accrual of any IP License Fees. The Sublicense shall provide that IP Co irrevocably directs that the IP License Fee be paid directly into the USD Collateral Account.

Termination Payment

Upon any termination of the Azul Brand License or Azul Other IP License, in each case, within the Sublicense there shall automatically (without any notice to Azul Linhas or any other act by the IP HoldCo, IP Co, the Trustee or the Applicable Collateral Representative) become due and payable as liquidated damages for loss of bargain and not as a penalty, an amount equal to the present value of a fixed annual revenue amount of US$200,000,000 from the date of termination through and including the date that is the 20th anniversary of the date of the Sublicense, discounted to the termination date at a rate of 10% per annum (the "Termination Payment"). Any payment of the Termination Payment shall be accompanied by made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed or levied by or on behalf of Brazil, the Cayman Islands, any other jurisdiction in which Azul Linhas or IP HoldCo (or any of their successors) is organized or resident for Tax purposes, or any political subdivision or taxing authority thereof or therein on any payment of or with respect to the Termination Payment. In the event that any such withholding or deduction is so required, Azul Linhas shall pay, with respect to each payment of or with respect to the Termination Payment, such additional amounts to IP HoldCo as may be necessary to ensure that the net amounts receivable by each of IP HoldCo or IP Co, as applicable, after such withholding or deduction shall equal the respective amounts of Termination Payment which would have been receivable in the absence of such withholding or deduction. In addition, the Parent Guarantor and Azul Linhas agree to indemnify and hold harmless IP HoldCo and IP Co for and against any Taxes imposed or levied on IP HoldCo or IP Co by any jurisdiction or taxing authority (including Brazil, the Cayman Islands and any political subdivision or taxing authority thereof or therein) and any fines or penalties on or with respect to the receipt, payment or accrual of any Termination Payment.

Amendments

The provisions of the Collateral Documents may be amended or waived only as permitted by the New Notes Indenture and the Collateral Documents by each party thereto and otherwise in accordance with "—Modification of Transaction Documents."

Jurisdictions for Perfection of Security Interests

Security in the Collateral will be perfected under (a) U.S. and New York law, in the case of (i) the USD Payment Account and the USD Blocked Account, (ii) the assets of IP Co and IP HoldCo (other than Contributed Intellectual Property located outside of the United States), (iii) the shares of the Issuer held by Azul Linhas, (iv) rights of the IP Parties and Azul Linhas under the IP Agreements and (v) the intercompany Indebtedness that constitutes Additional Collateral (except to the extent such intercompany Indebtedness are obligations of the Parent Guarantor or a Subsidiary organized under the laws of Brazil, in which case they may be perfected under Brazilian law), (b) Brazilian law, in the case of (i) the Collection Accounts, the BRL Blocked Account and the BRL Collateral Account, (ii) the shares of IntelAzul and Azul Viagens held by Azul Linhas, (iii) the Assigned Azul Viagens Receivables and Assigned TudoAzul Receivables, (iv) the assets of IP Co and IP HoldCo located in Brazil (which includes certain Contributed Intellectual Property), (v) the Intercompany Loan Agreements, and (vi) the Azul Cargo Collateral, (c) with respect to the equity interests (other than the special share issued to the Special Shareholder) in the IP Parties existing under the laws of the Cayman Islands, through the Cayman Equitable Share Mortgages governed by Cayman Islands Law, and (d) with respect to Contributed Intellectual Property located in Chile, the Europe Union or the United Kingdom, the laws of the jurisdiction where such Contributed Intellectual Property is located.

Shared Collateral and Intercreditor Agreement

The New Notes shall be subject to an intercreditor, shared collateral and accounts agreement (the "Intercreditor Agreement") to be entered into on the Closing Date among (i) the fiduciary agent for the Convertible Debentures, (ii) the administrative agent (or other Representative) for the AerCap Secured Obligations, (iii) the Trustee, (iv) the U.S. Collateral Agent, and (v) the Brazilian Collateral Agent.

Representatives of First Priority Secured Debt (on behalf of the relevant First Priority Secured Debt Parties) and the Trustee (on behalf of the New Notes Secured Parties) shall be permitted and required to become parties to the Intercreditor Agreement, *provided* that the Secured Debt represented thereby is permitted under each Series of Secured Debt then outstanding. The Issuer or Parent Guarantor will certify that such indebtedness is permitted under all outstanding Secured Debt. On the date of incurrence thereof, the Representative of the Additional Secured Debt will enter into a joinder to the Intercreditor Agreement agreeing to be bound by the terms thereof. Each holder of Secured Debt by its acceptance of such Secured Debt shall be deemed to have (i) irrevocably appointed the Collateral Agents and any other Applicable Collateral Representative to act as its agent under the Collateral Documents, as applicable, and any other relevant document and (ii) irrevocably authorized the Applicable Collateral Representative to perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Collateral Documents, together with any other incidental rights, powers and discretions and to execute each document expressed to be executed by the Applicable Collateral Representative on its behalf.

The Intercreditor Agreement will provide, among other things, the provisions described in the following paragraphs.

The Intercreditor Agreement will provide that the New Notes are "second out" in right of payment to any First Priority Secured Obligations secured by the Shared Collateral.

Notwithstanding the time, order or method of creation or perfection of any Liens securing any Secured Debt, prior to the Discharge of First Priority Secured Obligations:

(a) the First Priority 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 Secured Debt (including the New Notes Guarantees), on a "first out" basis prior to the payment of amounts due and payable in respect of the New Notes Secured Obligations in accordance with the terms of the Intercreditor Agreement; and

(b) the New Notes Secured Obligations (including the New Notes and the New Notes Guarantees) will be secured by the 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 Secured Debt (including the New Notes Guarantees), on a "second out" basis after the payment of

amounts due and payable in respect of the First Priority Secured Obligations in accordance with the terms of the Intercreditor Agreement.

The right to receive payment from the Shared Collateral, including the proceeds of any enforcement of Shared Collateral, shall be (i) *pari passu* with one another among the First Priority Secured Obligations, and (ii) *pari passu* with one another among the New Notes Secured Obligations, in each case notwithstanding the time, order or method of creation or perfection of any Liens securing any Secured Debt.

The collateral for the Secured Obligations will at all times be identical, other than (i) a fiduciary transfer (*alienação fiduciária*) in respect of specific equipment necessary for maintenance of our hangar at Viracopos airport and a fiduciary assignment (*cessão fiduciária*) in respect of the right of use of the hangar at Viracopos airport, in each case solely for the benefit of the Convertible Debentures on the Closing Date and for so long as the Convertible Debentures remain outstanding, (ii) any interest reserve account, debt service reserve account or similar arrangement (including cash and deposit account balances therein) that may be created and funded for the benefit of any Series of First Priority Secured Debt subject to customary limitations in the Intercreditor Agreement, (iii) the Leases Collateral (as defined below) for the benefit of the Relevant Leases, and (iv) the Azul Cargo Collateral for the benefit of the New Notes Secured Obligations and the Azul Cargo Priority Secured Debt (together, the "Non-Shared Collateral"). By entering into the Intercreditor Agreement, each First Priority Secured Debt Representative (on behalf of the relevant First Priority Secured Debt Parties) and the Trustee (on behalf of the New Notes Secured Parties) shall agree not to permit their respective Secured Obligations to be secured by any collateral other than the Shared Collateral or, if applicable, any Non-Shared Collateral. Each Obligor shall take such actions and execute such documents in order to ensure that the collateral for all Secured Obligations is at all times identical other than the Non-Shared Collateral.

The Intercreditor Agreement will provide that it is acknowledged and agreed that (i) the Relevant Leases are secured by other collateral that is customary collateral for an aircraft lessor (such as letters of credit, maintenance reserves and warranties and guarantees) (the "Leases Collateral"), (ii) the Leases Collateral does not form part of the Shared Collateral, and (iii) the Intercreditor Agreement shall not give any Secured Party any rights in respect of the Leases Collateral. The Intercreditor Agreement shall also provide that other Secured Debt may be secured by other Non-Shared Collateral, that such Non-Shared Collateral does not form part of the Shared Collateral, and that the Intercreditor Agreement does not give any Secured Party any rights over any Non-Shared Collateral.

If a Collateral Agent, any other Representative or any holder of Secured Obligations acquires any Lien (including a judgment Lien from a court of competent jurisdiction) on any assets (other than Non-Shared Collateral) to secure any Secured Obligations which assets are not also subject to the Lien of each other Collateral Agent and each other Representative, as applicable, then such Collateral Agent or such other Representative, as applicable, will hold such Lien for the ratable benefit of the Secured Parties, including as gratuitous bailee for the sole purpose of perfecting the Liens of the other Secured Parties in such Shared Collateral, in each case without any representation or warranty of any kind.

No Representative or holder of any Secured Debt will be permitted to (and each holder will be deemed by its acceptance of Secured Debt to waive its right to) contest the validity, extent, perfection, priority or enforceability of the Liens securing, or the allowability of any claims asserted with respect to, any other Secured Obligations, in any proceeding including any insolvency or liquidation proceeding, or otherwise.

No holder or representative of Secured Debt will have the right to take any enforcement action with respect to the Shared Collateral, with such rights being vested solely in the Applicable Collateral Representatives. Until the Discharge of First Priority Secured Obligations has occurred, the Applicable Collateral Representatives shall take instruction at all times only from the Controlling Creditors. The Holders of New Notes will agree not to (a) prior to the Majority New Notes Collateral Enforcement Date, other than with respect to Specified Rights, (i) exercise or seek to exercise any rights or remedies with respect to any of the Shared Collateral, or instruct any Representative to do so or (ii) institute any action or proceeding with respect to such rights or remedies or (b) take or receive any Shared Collateral or any proceeds of any Shared Collateral in contravention of the priorities of the Intercreditor Agreement. Notwithstanding the foregoing, (a) in any insolvency or liquidation proceeding commenced by or against the Issuer or any other Obligor, the Representatives and the Holders of the New Notes may file a claim, proof of claim, or statement of interest with respect to the New Notes Secured Obligations, (b) the Representatives and the Holders of the New Notes may take any action (not adverse to the priority provided in the Intercreditor

Agreement) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and the perfection and priority of its Lien on, the Shared Collateral, (c) any New Notes Secured Party may seek adequate protection to the extent provided in the Intercreditor Agreement and may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or Liens of the New Notes Secured Parties or the avoidance of any Lien in respect of the New Notes Secured Obligations to the extent not inconsistent with the terms of the Intercreditor Agreement, (d) the New Notes Secured Parties may vote on any plan of reorganization, compromise or arrangement, plan of liquidation, agreement for composition, or other type of plan of arrangement proposed in or in connection with any insolvency or liquidation proceeding of the Issuer or any Guarantor that conforms to the terms and conditions of the Intercreditor Agreement, (e) the Majority Total Debtholders may protect, defend and enforce or exercise the Specified Rights and (f) from and after the Majority New Notes Collateral Enforcement Date, a Representative acting at the instructions of the Majority New Noteholders may exercise or seek to exercise any rights or remedies (including setoff or recoupment) with respect to any Shared Collateral in respect of the New Notes Secured Obligations, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure).

Except as provided in the paragraph below, all Secured Parties agree that all payments on the Secured Obligations shall be made in accordance with the Payment Waterfalls. Except as provided in the paragraph below, until the Discharge of First Priority Secured Obligations, any Shared Collateral or proceeds thereof received by any New Notes Secured Party (i) shall be delivered to the Applicable Collateral Representative to be held as Shared Collateral for, or applied to, the Secured Obligations in accordance with the Intercreditor Agreement and (ii) in connection with the exercise of any right or remedy (including set-off) relating to the Shared Collateral or otherwise in violation of the Intercreditor Agreement shall be segregated and held in trust and shall be paid over to a Collateral Agent for the benefit of the Secured Parties in accordance with the provisions of the Intercreditor Agreement in the same form as received.

The provisions in the paragraph above shall not apply to (i) any proceeds received by any New Notes Secured Party as a result of any voluntary or involuntary bankruptcy case or proceeding of the Parent Guarantor or any of its Subsidiaries (A) that are not proceeds of Shared Collateral or (B) that are received as a distribution to the New Notes Secured Parties in respect of New Notes Secured Debt under a plan of reorganization of any Obligor, (ii) any interest payments which any New Notes Secured Party is entitled to in connection with the use of cash collateral as contemplated by the definition of Specified Rights, or (iii) at any time prior to a Remedies Direction, any amounts that the Obligors pay in respect of amounts due and payable under the AerCap Secured Obligations otherwise than through the Payment Waterfalls.

Without prejudice to the enforcement and exercise of the remedies of the First Priority Secured Parties, the First Priority Secured Parties agree that following the acceleration of any of the First Priority Secured Debt in accordance with the terms of the applicable First Priority Secured Debt Documents, a payment default under any First Priority Secured Debt document at the maturity thereof that has not been cured or waived by the First Priority Secured Parties within 60 days of the occurrence thereof or the commencement of an insolvency proceeding in respect of any Obligor (each, a "Purchase Event"), notwithstanding any provision in any Secured Debt Document, within 30 days of the Purchase Event, one or more of the New Notes Secured Parties may request, and the First Priority Secured Parties shall (by virtue of the applicable First Priority Secured Debt Representative being party to the Intercreditor Agreement) be deemed to offer the New Notes Secured Parties the option, to purchase all, but not less than all, of the aggregate principal amount of outstanding First Priority Secured Debt outstanding at the time of purchase at par, plus accrued and unpaid interest, plus, in respect of the Convertible Debentures only, any premium that is due and payable on such Convertible Debentures, payable in immediately available funds without warranty or representation or recourse (except for representations and warranties required to be made by assigning lenders pursuant to a customary assignment agreement); *provided* that, in the case of the AerCap Secured Obligations, the New Notes Secured Parties shall be required to pay to the First Priority Secured Debt Representative in respect of the AerCap Secured Obligations an amount in cash in U.S. dollars that is sufficient to discharge in full all of the AerCap Secured Obligations rather than being required to purchase such AerCap Secured Obligations. If such right is exercised, the parties shall endeavor to close promptly thereafter but in any event within ten Business Days of the request. If one or more of the New Notes Secured Parties exercise such purchase right, it shall be exercised pursuant to documentation mutually acceptable to each of the applicable First Priority Secured Debt Representatives and the Trustee (as directed by the New Notes Secured Parties). If none of the New Notes Secured Parties exercise such

right, the First Priority Secured Parties shall have no further obligations for such Purchase Event and may take any further actions in accordance with the First Priority Secured Debt Documents.

The Intercreditor Agreement will be a "subordination agreement" under Section 510(a) of the Bankruptcy Code and all parties thereto will acknowledge that the Intercreditor Agreement shall remain in effect following any bankruptcy or insolvency of any Obligor. Until the Discharge of First Priority Secured Obligations, if (1) any Obligor, as debtor-in-possession, moves for approval of debtor-in-possession financing in a proceeding under chapter 11 of the Bankruptcy Code (but not a proceeding in any other jurisdiction) (a "DIP Financing") or the use of Shared Collateral consisting of cash and cash equivalents during its bankruptcy case and (2) the Required First Priority Debtholders do not object to such DIP Financing, (i) to the extent the Liens securing such DIP Financing (the "DIP Financing Liens") are senior (in the manner provided in the Intercreditor Agreement with respect to priority) to the Liens on any Shared Collateral for the benefit of the holders of First Priority Secured Debt, each of the other Secured Parties and Representatives shall raise no objection to such DIP Financing or use of cash collateral (subject to the Specified Rights) and shall subordinate its Liens with respect to such Shared Collateral on the same terms, and to the same extent, as the Liens of the Required First Priority Debtholders (other than any Liens of any Required First Priority Debtholder constituting DIP Financing Liens) are subordinated thereto and (ii) to the extent that such DIP Financing Liens rank *pari passu*, including pursuant to an intercreditor agreement with the Liens on any Shared Collateral, each other Secured Party will confirm the priorities with respect to such Shared Collateral, in each case so long as (A) the Secured Parties in respect of each Series of Secured Debt retain the benefit of their Liens on such Collateral pledged to the DIP Financing lenders with the same priority vis-a-vis the other holders of other Secured Debt (other than with respect to DIP Financing Liens) as existed prior to the commencement of the bankruptcy case, (B) the Secured Parties in respect of each Series of Secured Debt are granted Liens on any additional collateral pledged to any other holders of Secured Debt as adequate protection (or any comparable relief) or otherwise with the same priority vis-a-vis the other holders of First Priority Obligations as existed prior to the commencement of the bankruptcy case, (C) if any amount of such DIP Financing or cash collateral is applied to repay any of the Secured Debt, such amount is applied in accordance with the terms of the Intercreditor Agreement and (D) if the Secured Parties in respect of any Series of Secured Debt are granted adequate protection (or any comparable relief), in connection with such DIP Financing or cash collateral, the proceeds of such adequate protection (or any comparable relief) are applied in accordance with the terms of the Intercreditor Agreement (including the Specified Rights). For the avoidance of doubt, as related to the AerCap Secured Obligations, the restrictions in this paragraph only apply to the rights of the Relevant Lessors and their Representative as Secured Parties under the AerCap Secured Obligations that are secured by the Shared Collateral, and such restrictions only apply to the extent of the AerCap Secured Obligations.

Until the Discharge of First Priority Secured Obligations, subject to the Specified Rights, no New Notes Secured Party shall contest (i) any request by the First Priority Secured Parties for adequate protection (or any comparable relief) or (ii) any objection by the First Priority Secured Parties to any motion, etc. based on the First Priority Secured Parties claiming a lack of adequate protection (or any comparable relief) or (iii) the payment of interest, fees, expenses or other amounts to or for the benefit of any Representative of First Priority Secured Obligations or other First Priority Secured Party. However, (a) if the First Priority Secured Parties are granted adequate protection (or any comparable relief) in the form of additional collateral in connection with any DIP Financing, then the New Notes Secured Parties may seek adequate protection (or any comparable relief) in the form of a Lien on such additional collateral subordinated to the Liens securing the First Priority Secured Obligations and such DIP Financing on the same basis as the other Liens securing the New Notes Secured Obligations are so subordinated to the First Priority Secured Obligations under the Intercreditor Agreement and (b) in the event any First Priority Secured Party is granted adequate protection (or any comparable relief) in the form of a superpriority claim, then the New Notes Secured Parties may seek adequate protection (or any comparable relief) in the form of a junior superpriority claim, subordinated to the superpriority claim granted to the First Priority Secured Parties.

In connection with any liquidation, foreclosure, enforcement or similar action with respect to the Shared Collateral (including under the IP Agreements), all proceeds of the Shared Collateral and all amounts transferred from a Collection Account following the occurrence of an Event of Default by or at the direction of any Representative pursuant to the terms of the relevant Collateral Document will be applied in accordance with the Post-Default Waterfalls described below.

The Shared Collateral shall be released automatically from securing the Secured Debt upon any sale or transfer of Shared Collateral (i) that is not prohibited by the terms of any Secured Debt Document, or (ii) if such sale or transfer is effected as a result of the Applicable Collateral Representatives exercising remedies against all or a portion of the Shared Collateral resulting in a sale, transfer or disposition thereof, *provided* that, in the case of (ii) only, (A) the Liens securing the Secured Obligations shall attach to the proceeds of such sale or transfer and (B) the proceeds of such sale or transfer are applied to permanently reduce the Secured Debt in accordance with the Post-Default Waterfalls.

Documents entered into in connection with any Series of Secured Debt may be amended, restated, amended and restated, supplemented or otherwise modified, and the Secured Debt may be refinanced, extended, renewed, increased, restructured, replaced or exchanged, in each case without the consent of any Representative, any Secured Party or any holders of any Secured Debt; *provided*, that, unless such Series of Secured Debt ceases to constitute Secured Obligations:

(i) a representative of the holders of any refinancing debt shall become a party to the Intercreditor Agreement; and

(ii) the incurrence of any Secured Debt after the closing date (other than DIP Financing) must be permitted under the documentation governing each other tranche of Secured Debt as in effect on the date of incurrence.

Notwithstanding the foregoing, no security document governing the Shared Collateral may be amended, restated, amended and restated, supplemented or otherwise modified except as permitted under the Secured Debt Documents in relation to each Series of Secured Debt and to the extent such amendment, supplement or modification would not contravene any of the terms of any Secured Debt Documents or the Intercreditor Agreement. The refinancing of any First Priority Secured Obligations shall not give rise to the Discharge of First Priority Secured Obligations to the extent that it complies with the foregoing.

The Intercreditor Agreement may not be amended without the written consent of each Collateral Agent, each other Representative party thereto and the Parent Guarantor (to the extent the rights of the Obligors are directly and adversely affected); *provided* that (i) additional Obligors may be added as parties to the Intercreditor Agreement in accordance with the provisions thereof without consent of the Collateral Agents or any other Representative and (ii) additional Representatives may become party to the Intercreditor Agreement in accordance with the provisions thereof related to additional Secured Debt without consent of either Collateral Agent or any other Representative. In addition, the Intercreditor Agreement will provide that each New Notes Secured Party agrees that the Collateral Agents may enter into any amendment (1) to any Collateral Document solely as such Collateral Document relates to a particular Series of Secured Debt so long as (x) such amendment is in accordance with the Secured Debt Documents relating to such Series of Secured Debt and (y) such amendment does not adversely affect the material rights of the Secured Parties of any other Series, (2) to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Shared Collateral (including any Additional Collateral) or additional property to become collateral for the benefit of the Secured Parties (including entering into and/or modifying any intercreditor agreement in connection with Indebtedness not prohibited under any Secured Debt Document that is or is contemplated to be subject to a Lien permitted by the Secured Debt Documents (subject to any restrictions set forth in the Secured Debt Documents as to the priority of any such Lien relative to any Lien securing, or required to be granted to secure, the Secured Obligations)), (3) as required by local law or to comply with advice from local counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable law or any Secured Debt Document or (4) to otherwise enhance the rights or benefits of the Secured Parties under the Collateral Documents. Each Collateral Agent will execute and deliver (at the sole cost and expense of the Company) all such authorizations and other instruments as shall reasonably be requested by the Company to evidence and confirm any release of Shared Collateral as provided in the applicable provisions in the Secured Debt Documents. By accepting a New Note, each Holder will be deemed to have agreed to these provisions.

The Intercreditor Agreement will provide that (i) except for the Shared Collateral securing the AerCap Secured Obligations pursuant to the terms of the Collateral Documents and the Intercreditor Agreement, nothing in the Intercreditor Agreement will affect or restrict the rights of the Relevant Lessors, their respective affiliates or any other parties under or in respect of the Lease Collateral, the Relevant Leases or the other agreements entered into in

connection therewith, and (ii) it is acknowledged that the Relevant Leases benefit from Leases Collateral, and that no Leases Collateral shall form part of the Shared Collateral and no Secured Parties (other than Secured Parties under the AerCap Secured Obligations) shall have recourse to any Leases Collateral.

Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement

As a condition to the New Notes and the New Notes Guarantors continuing to be secured by the Azul Cargo Collateral following the Azul Cargo Collateral Sharing Trigger Date, and as a condition to the incurrence of Azul Cargo Priority Secured Debt, no later than the Azul Cargo Collateral Sharing Trigger Date, the Trustee, as representative of the Holders, shall become a party to the Azul Cargo Intercreditor Agreement (as defined below).

"Azul Cargo Intercreditor Agreement" means the intercreditor and shared collateral agreement to be executed as contemplated by the provisions described this section headed "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement" among (i) the Trustee, as representative of the Holders, (ii) the Collateral Agents, (iii) the collateral agent in favor of which the Liens over any Azul Cargo Collateral have been granted for the benefit of the Holders and the holders of any Azul Cargo Priority Secured Debt, and (iv) the holders of, or the representative or agent for, the holders of any Series of Azul Cargo Priority Secured Debt. A form of the Azul Cargo Intercreditor Agreement will be attached as an exhibit to the New Notes Indenture. The form of the Azul Cargo Intercreditor Agreement may be negotiated with the holders of, and representatives for, the first Series of Azul Cargo Priority Secured Debt incurred after the Closing Date, but the Trustee and Collateral Agents shall not be obligated to sign any form unless such form is reasonably satisfactory to the Trustee and the Collateral Agents. The terms of the New Notes Indenture will provide that the Azul Cargo Intercreditor Agreement shall include the terms described under this section headed "—Description of Collateral Documents—Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement" and shall otherwise be on terms that are not materially adverse to the security interests or rights and remedies of the New Notes (as determined by the Parent Guarantor in good faith), it being acknowledged and agreed 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 and, accordingly, any provisions in the Azul Cargo Intercreditor Agreement that are consistent therewith shall be deemed not to be materially adverse to the security interests or rights and remedies of the New Notes.

On the date of execution of the Azul Cargo Intercreditor Agreement, the Issuer shall deliver an Officer's Certificate to the Trustee certifying that the Azul Cargo Intercreditor Agreement has been executed and that the provisions of the Azul Cargo Intercreditor Agreement comply with the requirements set forth in the New Notes Indenture.

The Azul Cargo Intercreditor Agreement will provide, among other things, the provisions described in the following paragraphs.

The Azul Cargo Intercreditor Agreement shall 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;

The Azul Cargo Intercreditor Agreement shall provide that (i) each Series of Azul Cargo Priority Secured Debt shall be secured by Azul Cargo Collateral that secures the relevant Series of Azul Cargo Priority Secured Debt on a "first out" basis pursuant to the terms of the Azul Cargo Intercreditor Agreement (it being noted that not all Series of Azul Cargo Priority Secured Debt need to be secured by the same Azul Cargo Collateral) and will have the right to receive payments from the Azul Cargo Collateral, including the proceeds of any enforcement of such Azul Cargo Collateral, on a "first out" basis prior to any payments from the Azul Cargo Collateral, including the proceeds of any enforcement of such Azul Cargo Collateral, payable in respect of the New Notes and the New Notes Guarantees in accordance with the terms of the Azul Cargo Intercreditor Agreement; and (ii) the obligors under such Azul Cargo

Priority Secured Debt shall be permitted to establish relative priorities of payment within different Series of Azul Cargo Priority Secured Debt, subject to the consent of the holders of such Azul Cargo Priority Secured Debt.

The Azul Cargo Intercreditor Agreement shall provide for payment waterfalls determining the order of priority for payments to be made in respect of the Azul Cargo Priority Secured Debt and the New Notes in connection with the right to receive payments from the Azul Cargo Collateral, including the proceeds of any enforcement of such Azul Cargo Collateral, to be set forth in the Azul Cargo Intercreditor Agreement. For the avoidance of doubt, prior to the Azul Cargo Collateral Sharing Trigger Date, the only Indebtedness secured by the Azul Cargo Collateral shall be the New Notes and the New Notes Guarantees and, accordingly, any right to receive payments from the Azul Cargo Collateral, including the proceeds of any enforcement of such Azul Cargo Collateral, shall be subject to the provisions of the New Notes Indenture.

The Azul Cargo Intercreditor Agreement shall provide for a standstill period (the "Azul Cargo Collateral Standstill") consistent with the standstill period of the New Notes Secured Parties under the Intercreditor Agreement. No Holder of New Notes or the Trustee or any Collateral Agent will have the right to take any enforcement action with respect to the Azul Cargo Collateral until the earlier of (i) the discharge of all Azul Cargo Priority Secured Debt and (ii) the expiration of the Azul Cargo Collateral Standstill, at which point the Trustee (acting at the direction of the Majority New Noteholders) may direct enforcement actions on the Azul Cargo Collateral. Notwithstanding the Azul Cargo Collateral Standstill, to the extent applicable, the New Notes Secured Parties shall have substantially the same rights, *mutatis mutandis*, with respect to the Azul Cargo Collateral as the New Notes Secured Parties have with respect to the Shared Collateral prior to the Majority New Notes Collateral Enforcement Date.

Any Azul Cargo Priority Secured Debt Document (other than the Azul Cargo Intercreditor Agreement) or any Permitted Azul Cargo Lien may be amended, restated, amended and restated, supplemented or otherwise modified, and the Azul Cargo Priority Secured Debt may be refinanced, extended, renewed, increased, restructured, replaced or exchanged, in each case without the consent of the Trustee, the Collateral Agents or the Holders; provided, that, unless the relevant Series of Azul Cargo Priority Secured Debt ceases to constitute Azul Cargo Priority Secured Debt, (i) the Azul Cargo Priority Secured Debt is permitted under the New Notes Indenture, (ii) a representative of the holders of any refinancing debt shall become a party to the Azul Cargo Intercreditor Agreement, and (iii) any Liens created or amended shall constitute Permitted Azul Cargo Financing Liens.

The Azul Cargo Intercreditor Agreement will be a "subordination agreement" under Section 510(a) of the Bankruptcy Code and all parties thereto will acknowledge that the Azul Cargo Intercreditor Agreement shall remain in effect following any bankruptcy or insolvency of any Obligor.

Accounts Provisions

The Intercreditor Agreement will include provisions whereby a combination of the U.S. Collateral Agent and the Brazilian Collateral Agent agree to deliver instructions to the bank holding the Collection Accounts from time to time to convert funds into different currencies from time to time where required to satisfy the Secured Obligations (at the Currency Conversion Rate), and distribute, or direct the distribution of, funds in any Controlled Account in accordance with the Payment Waterfalls or the Post-Default Waterfalls, as may be in effect from time to time. Each Shared Collateral Agent shall take such actions at the instruction of one or more Representatives (in a manner consistent with the Intercreditor Agreement) and shall be entitled to rely on the instructions and information provided by such Representatives in taking any such actions.

Payment Waterfalls

The New Notes Documents will permit, prior to the New First Priority Financing Closing Date, so long as no Event of Default has occurred and is continuing, amounts in the Collection Accounts to be transferred daily into the Freeflow Accounts.

With effect from the New First Priority Financing Closing Date, instead of being transferred daily into the Freeflow Accounts, the Collection Accounts shall be blocked at all times and under the sole dominion and control of Account Bank acting under the instructions of the Applicable Collateral Representatives, subject to the Intercreditor Agreement (the "Lockbox Structure").

If and when the New First Priority Financing Closing Date occurs and the Lockbox Structure is implemented on such date, the Intercreditor Agreement will provide that, so long as no Remedies Direction has been delivered, as follows:

In respect of any Quarterly Reporting Period, (i) until the Quarterly Freeflow Date, any and all amounts deposited into the Collection Accounts shall remain on deposit in the relevant Collection Account up to, in aggregate, the Quarterly Freeflow Threshold, and (ii) with effect from the Quarterly Freeflow Date to the first Business Day of the next Quarterly Reporting Period, amounts in the Collection Accounts in excess of the Quarterly Freeflow Threshold shall be transferred daily into the Freeflow Accounts, and the terms of the relevant Collateral Documents will provide accordingly. The terms of the relevant New Notes Documents will provide that the Brazilian Collateral Agent shall monitor when the Quarterly Freeflow Date occurs (based on a bank account statement provided to the Brazilian Collateral Agent in an Officer's Certificate) and shall notify the Obligors within one Business Day after the occurrence of the Quarterly Freeflow Date. For the avoidance of doubt, pursuant to the definition of Quarterly Freeflow Date, if (i) the aggregate balance on deposit in the USD Payment Account on the first Business Day in that Quarterly Reporting Period is equal to or greater than the applicable Quarterly Freeflow USD Amount, and (ii) then the aggregate balance on deposit in the BRL Payment Account on the first Business Day in that Quarterly Reporting Period is equal to or greater than the applicable Quarterly Freeflow BRL Amount (in each case as demonstrated by a bank account statement provided to the Brazilian Collateral Agent in an Officer's Certificate), then the Quarterly Freeflow Date shall be the date that is the first Business Day in that Quarterly Reporting Period, which means that amounts in the Collection Accounts shall be transferred daily into the Freeflow Accounts with effect from the first Business Day in that Quarterly Reporting Period.

So long as any Series of BRL First Priority Secured Debt is outstanding (a) on each Allocation Date, an Obligor shall deliver to the Brazilian Collateral Agent an Allocation Date Statement, (b) the Brazilian Collateral Agent shall distribute such Allocation Date Statement to each Representative (and any Representative shall be entitled to advise if it believes there is an inaccuracy in the Allocation Date Statement, and the Parent Guarantor shall work with such Representative to resolve any discrepancy), (c) in the event that there are insufficient funds in the Collection Accounts to pay the USD Required Payments and the BRL Required Payments, the Obligors shall be required to make Voluntary Contributions in an amount sufficient to fund the Collection Accounts with sufficient funds ("Sufficient Funds") to pay the USD Required Payments and the BRL Required Payments, (d) provided there are Sufficient Funds in the Collection Accounts in respect of a Distribution Date, on such Distribution Date, funds in the Collection Accounts sufficient to pay the USD Required Payments under all Series of USD Secured Debt (based upon instructions in the Allocation Date Statement furnished to it on the related Allocation Date by the Issuer) shall be distributed by the Account Bank under the direction of the Brazilian Collateral Agent to the USD Payment Account and (e) after distributing the USD Required Payments to the USD Payment Account, the remaining funds in the Collection Accounts shall be transferred to the BRL Payment Account.

In the event that Sufficient Funds are not available in the Collection Accounts on a Distribution Date, then, on the Distribution Date, (a) the USD Pro Rata Share of the funds in the Collection Accounts shall be distributed by the Account Bank under the direction of the Brazilian Collateral Agent to the USD Payment Account, and (b) thereafter, the remaining funds in the Collection Accounts shall be transferred to the BRL Payment Account.

The amount to be distributed by the Account Bank under the direction of the Brazilian Collateral Agent to the USD Payment Account will first be converted into U.S. dollars at the Currency Conversion Rate. Each calculation on each Allocation Date and each payment of the USD Required Payments under all Series of Secured Debt to the USD Payment Account shall be accompanied by, made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed or levied by or on behalf of Brazil, Cayman Islands, any other jurisdiction in which the relevant Obligor (or any of its successors) is organized or resident for Tax purposes, or any political subdivision or taxing authority thereof or therein on any payment of or with respect to the USD Required Payments under all Series of Secured Debt to the USD Payment Account. In the event that any such withholding or deduction is so required, the relevant Obligor shall pay, with respect to each payment of the USD Required Payments under all Series of Secured Debt to the USD Payment Account, such additional amounts as may be necessary to ensure that the net amounts receivable in the USD Payment Account, after such withholding or deduction shall equal the respective amounts of the USD Required Payments which would have been receivable in the absence of such withholding or deduction.

Notwithstanding any other provision of the Transaction Documents, the Obligors shall be entitled to pay and discharge any amounts outstanding under the AerCap Secured Obligations otherwise than through the Payment Waterfalls. The Obligors shall also be entitled, at their option, to pay and discharge any amounts due and payable under the AerCap Secured Obligations through the Payment Waterfalls and the Post-Default Waterfalls. In addition, the Obligors shall be required to pay and discharge any amounts due and payable under the AerCap Secured Obligations through the Payment Waterfalls and the Post-Default Waterfalls (as applicable) (i) at the request of the Representative in respect of the AerCap Secured Obligations, and (ii) automatically upon a Remedies Direction. If the relevant Obligor elects or is required to pay and discharge any amounts due and payable under the AerCap Secured Obligations through the Payment Waterfalls or the Post-Default Waterfalls (each such payment that is then due and payable, a "Waterfall AerCap Payment"), then for the purposes of determining when a Distribution Date will occur, the scheduled payment date for such Waterfall AerCap Payment under the AerCap Secured Obligations shall be deemed to be a Distribution Date. The AerCap Secured Obligations shall be deemed to be BRL First Priority Secured Debt because the AerCap Secured Obligations are obligations of Azul Linhas which would be paid, if applicable, through the BRL Payment Account or the BRL Collateral Account. Amounts in the BRL Payment Account shall be allocated by measuring the Waterfall AerCap Obligations at the Currency Conversion Rate. Amounts in the BRL Collateral Account shall be allocated by measuring the AerCap Secured Obligations Cap at the Currency Conversion Rate as compared to the principal amount of the other BRL First Priority Secured Debt then outstanding.

Amounts transferred to the USD Payment Account (including amounts transferred from the Collection Accounts) shall be distributed by the U.S. Collateral Agent in the following order of priority (the "USD Payment Waterfall"):

(1) *first*, (x) ratably to the Representatives of each Series of Secured Debt (including any successor manager hired by the Controlling Creditors following a termination or resignation of Azul Linhas as the IP Manager), fees, costs, expenses, reimbursements and indemnification amounts due and payable to such Persons in U.S. dollars pursuant to the terms of the applicable Secured Debt Documents that has been invoiced to an Obligor at least two Business Days prior to the related Allocation Date and then (y) ratably for the fees, expenses and other amounts due and owing to any Independent Director of an IP Party (to the extent not otherwise paid);

(2) *second*, to the holders of, or ratably to the Representatives of the holders of, as applicable, each Series of USD First Priority Secured Debt, an amount equal to the interest payable under such Series of USD First Priority Secured Debt with respect to such Distribution Date;

(3) *third*, ratably to the holders of, or Representatives of the holders of, as applicable, each Series of USD First Priority Secured Debt, an amount equal to the principal amount of such Series of USD First Priority Secured Debt that is then due and payable;

(4) *fourth*, if any Series of USD Secured Debt is then entitled to an excess cash flow sweep, to pay such amounts then due;

(5) *fifth*, to the Trustee, as Representative of the Holders of the New Notes of each series, ratably, an amount equal to the interest payable under the New Notes of the relevant series with respect to such Distribution Date;

(6) *sixth*, ratably to the Trustee, as Representative of the Holders of the New Notes, an amount equal to the principal amount of such New Notes that is then due and payable;

(7) *seventh,* ratably to the Trustee and each Collateral Agent, and *then* (y) to any other Person (other than the Parent Guarantor and any of its Subsidiaries), any additional Obligations under the Secured Debt Documents relating to any Series of USD Secured Debt due and payable to such Person on such Distribution Date to the extent not paid above; and

(8) *eighth*, to or at the direction of the Issuer, which may be distributed directly or indirectly to the Parent Guarantor without any restriction.

Amounts transferred to the BRL Payment Account (including amounts transferred from the Collection Accounts) shall be distributed by the Account Bank under the direction of the Brazilian Collateral Agent in the

following order of priority (with any amounts payable in respect of the AerCap Secured Obligations first converted to U.S. dollars at the Currency Conversion Rate) (the "BRL Payment Waterfall" and, together with the USD Payment Waterfall, the "Payment Waterfalls"):

(1) *first*, ratably to the Representatives of each Series of Secured Debt, fees, costs, expenses, reimbursements and indemnification amounts due and payable to such Persons in Brazilian *reais* pursuant to the terms of the applicable Secured Debt Documents that has been invoiced to an Obligor at least two Business Days prior to the related Allocation Date;

(2) *second*, to the holders of, or ratably to the Representatives of the holders of, as applicable, each Series of BRL First Priority Secured Debt, an amount equal to (i) the interest payable under such Series of BRL First Priority Secured Debt with respect to such Distribution Date and (ii) in the case of the AerCap Secured Obligations, any Waterfall AerCap Payment;

(3) *third*, ratably to the holders of, or Representatives of the holders of, as applicable, each Series of BRL First Priority Secured Debt, an amount equal to the principal amount of such Series of BRL First Priority Secured Debt that is then due and payable;

(4) *fourth*, if any Series of BRL First Priority Secured Debt is then entitled to an excess cash flow sweep, to pay such amounts then due;

(5) *fifth,* ratably to the Trustee and each Collateral Agent, and *then* (y) to any other Person (other than the Parent Guarantor and any of its Subsidiaries), any additional Obligations under the Secured Debt Documents relating to any Series of BRL First Priority Secured Debt due and payable to such Person on such Distribution Date to the extent not paid above; and

(6) *sixth*, to or at the direction of the Issuer, which may be distributed directly or indirectly to the Parent Guarantor without any restriction.

At such time as no Series of BRL First Priority Secured Debt is outstanding, so long as no Remedies Direction has been delivered, amounts transferred from the Collection Accounts pursuant to an Allocation Date Statement shall be applied pursuant to the USD Payment Waterfall.

Post-Default Waterfalls

Upon a Remedies Direction, amounts in the BRL Blocked Account will be transferred to the BRL Collateral Account, amounts in the USD Blocked Account will be transferred to the USD Collateral Account, and in each case, no further payments shall be made into the Blocked Accounts. In addition, following a Remedies Direction, amounts in the Collection Accounts will be transferred daily to the BRL Collateral Account.

Any proceeds of a Remedies Action, and any proceeds from the enforcement of guarantees under of any Series of Secured Debt (including the New Notes Guarantees), will also be deposited to the BRL Collateral Account; *provided* that if any such proceeds are received in U.S. dollars they may be deposited to the USD Collateral Account pending allocation in accordance with the USD Pro Rata Share and BRL Pro Rata Share to the Secured Obligations pursuant to the following paragraphs.

On a weekly basis (or more frequently if elected by the Controlling Creditors) (each such date a "Post-Default Distribution Date"), the Brazilian Collateral Agent (based upon information provided by each Representative from time to time as the Brazilian Collateral Agent may request or as provided in the Intercreditor Agreement) shall calculate the USD Pro Rata Share and the BRL Pro Rata Share and shall transfer (a) to the USD Collateral Account, the USD Pro Rata Share of the amounts in the BRL Collateral Account and (b) apply the BRL Pro Rata Share in accordance with the BRL Post-Default Waterfall below. The amount to be distributed by the Brazilian Collateral Agent to the USD Collateral Account will first be converted into U.S. dollars at the Currency Conversion Rate.

Amounts transferred to the USD Collateral Account pursuant to the foregoing shall be applied as follows (the "USD Post-Default Waterfall"):

(1) *first*, (x) ratably to the Representatives of each Series of Secured Debt and each Collateral Agent, fees, costs, expenses, reimbursements and indemnification amounts due and payable in U.S. dollars to such Persons pursuant to the terms of the applicable Secured Debt Documents and then (y) ratably for the fees, expenses and other amounts due and owing to any Independent Director of an IP Party (to the extent not otherwise paid);

(2) *second*, to the holders of, or ratably to the Representatives of the holders of, as applicable, each Series of USD First Priority Secured Debt, an amount equal to the interest then accrued and not paid for such Series of USD First Priority Secured Debt;

(3) *third*, to the holders of, or ratably to the Representatives of the holders of, as applicable, each Series of USD First Priority Secured Debt, an amount equal to the principal amount of such Series of USD First Priority Secured Debt that is then outstanding, whether or not due and payable;

(4) *fourth*, to the Trustee, as Representative of the Holders of the New Notes of each series, ratably, an amount equal to the interest then accrued and not paid for the New Notes of such series;

(5) *fifth*, to the Trustee, as Representative of the Holders of the New Notes of each series, ratably, an amount equal to the principal amount of the New Notes of such series that is then outstanding, whether or not due and payable;

(6) *sixth*, on a ratable basis, (a) to the holders of, or ratably to the Representatives of the holders of, as applicable, each Series of USD First Priority Secured Debt, the USD Pro Rata Share of the amounts under this clause (6) to the payment of any premium then due and payable under any Series of USD First Priority Secured Debt then outstanding and (b) the BRL Pro Rata Share of the amounts under this clause (6) to the BRL Collateral account;

(7) *seventh*, to the Trustee, as Representative of the Holders of the New Notes of each series, ratably, an amount equal to any premium or other obligations that is then due and payable with respect to the New Notes of such series;

(8) *eighth*, to any other Person (other than the Parent Guarantor and any of its Subsidiaries), any additional Obligations under the Secured Debt Documents relating to any Series of USD Secured Debt due and payable to such Person on such Post-Default Distribution Date to the extent not paid above; and

(9) *ninth*, to the USD Collateral Account.

The BRL Pro Rata Share of amounts in the BRL Collateral Account on each Post-Default Distribution Date pursuant to the foregoing shall be applied as follows (with any amounts payable in respect of the AerCap Secured Obligations first converted to U.S. dollars at the Currency Conversion Rate) (the "BRL Post-Default Waterfall" and, together with the USD Post-Default Waterfall, the "Post-Default Waterfalls"):

(1) *first*, ratably to the Representatives of each Series of Secured Debt and each Collateral Agent, fees, costs, expenses, reimbursements and indemnification amounts due and payable in Brazilian *reais* to such Persons pursuant to the terms of the applicable Secured Debt Documents;

(2) *second*, to the holders of, or ratably to the Representatives of the holders of, as applicable, each Series of BRL First Priority Secured Debt, an amount equal to (i) the interest then accrued and not paid for such Series of BRL First Priority Secured Debt and (ii) in the case of the AerCap Secured Obligations, any Waterfall AerCap Payment;

(3) *third*, ratably to the holders of, or Representatives of the holders of, as applicable, each Series of BRL First Priority Secured Debt, an amount equal to the principal amount of such Series of BRL First Priority Secured Debt that is then outstanding (including in the case of the AerCap Secured Obligations, the AerCap Secured Obligations that are then outstanding in excess of the then-due and payable Waterfall AerCap Payment, up to the then-applicable AerCap Secured Obligations Cap), whether or not due and payable;

(4) *fourth*, to the USD Collateral Account;

(5) *fifth*, ratably to the holders of, or Representatives of the holders of, as applicable, each Series of BRL First Priority Secured Debt, an amount equal to any premium or other obligations that is then due and payable with respect to such Series of BRL First Priority Secured Debt;

(6) *sixth*, to any other Person (other than the Parent Guarantor and any of its Subsidiaries), any additional Obligations under the Secured Debt Documents relating to any Series of BRL First Priority Secured Debt due and payable to such Person on such Post-Default Distribution Date to the extent not paid above; and

(7) *seventh*, to the USD Collateral Account.

At such time as no Series of BRL First Priority Secured Debt is outstanding, if a Remedies Direction has been delivered and is in effect, amounts transferred from the Collection Accounts on each Post-Default Distribution Date shall be applied pursuant to the USD Post-Default Waterfall.

The Collateral Agents and the Issuer shall be permitted to amend the Payment Waterfalls, the Collateral Accounts, the Payment Accounts, the Blocked Accounts and the definitions of BRL Pro Rata Share and USD Pro Rata Share in a manner that is not adverse to any Series of Secured Debt to facilitate the administration of the Payment Waterfalls (including if any Secured Obligations are payable in a currency other than U.S. dollars or Brazilian *reais*), or cure any defects, upon delivery to the Collateral Agents of an Officer's Certificate stating that such amendment is not adverse to any Series of Secured Debt.

For the avoidance of doubt, to the extent amounts in the Collection Accounts or the Payment Accounts with respect to any Distribution Date are insufficient to pay amounts due under the New Notes Indenture to the Agents, the Holders or any other Person on such Distribution Date, the Issuer, and, to the extent provided in "—The Note Guarantees" hereof, the Guarantors, shall be permitted to pay such amounts into the Payment Account at or prior to the relevant Distribution Date and the Obligors shall remain obligated to discharge its payment obligations under the New Notes Indenture, the New Notes and the New Notes Guarantees in accordance with the terms thereof.

Mandatory Prepayments; No Sinking Fund

Upon the receipt of Net Proceeds by the Parent Guarantor or any of its Subsidiaries from (i) the incurrence of any Indebtedness of the IP Parties, IntelAzul or Azul Viagens (other than with respect to any Indebtedness permitted to be incurred pursuant to "Certain Covenants—Incurrence of Indebtedness"), (ii) any Collateral Sale, or (iii) a Pre-paid Points Purchase (other than a Blocked Pre-paid Points Purchase) for which Net Proceeds, together with the aggregate amount of Net Proceeds previously received from Pre-paid Points Purchases (other than Blocked Pre-paid Points Purchases) during the same fiscal year, are in excess of 8% of the TudoAzul Gross Billings for the four most recently completed Quarterly Reporting Periods (the "Permitted Pre-paid Points Basket Amount") (such excess, "Excess Points Net Proceeds") (each of the events set forth in clauses (i), (ii) and (iii), a "Mandatory Prepayment Event"), the Issuer will cause the New Notes' of the relevant series Allocable Share of such Net Proceeds remaining after the redemption of the First Priority Secured Debt in accordance with the documentation governing such First Priority Secured Debt (plus accrued and unpaid interest, additional amounts and any premium thereon) (the "New Notes Prepayment Amount") to be paid to the Holders in accordance with the terms of the Indenture by a date that is ten Business Days after the receipt of such Net Proceeds (such remittance date, as the case may be, a "Prepayment Date"). On such Prepayment Date, the Trustee will, subject to receipt thereof, apply the New Notes Prepayment Amount to prepay the maximum principal amount of New Notes (plus accrued and unpaid interest on the principal amount being prepaid to, but excluding, the Prepayment Date) that may be prepaid with such New Notes Prepayment Amount at a prepayment price equal to the redemption price that would be due if the New Notes of the relevant series were being redeemed pursuant to "—Optional Redemption," on the applicable Prepayment Date.

In addition, under certain circumstances, the Issuer may be required to offer to purchase New Notes as described under "—Offers to Purchase."

The New Notes will not be entitled to the benefit of any sinking fund.

Open Market Purchases

The Issuer, the Parent Guarantor or any of its Subsidiaries may from time to time seek to purchase outstanding New Notes in privately negotiated or open market transactions, by tender offer or otherwise, at any price. Subject to any applicable limitations contained in any Secured Debt Documents, including the New Notes Indenture, any purchases made by the Issuer, the Parent Guarantor or any of its Subsidiaries may be funded by the use of cash on their balance sheet or the incurrence of Indebtedness that is not prohibited by the terms of any Secured Debt Document. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases of New Notes could involve a substantial portion of outstanding New Notes with the attendant reduction in the trading liquidity of such class or series.

Optional Redemption

The New Notes of the relevant series will not be redeemable at the option of the Issuer prior to their Stated Maturity except as described below.

Optional Redemption with a Make-Whole Premium

Prior to May 28, 2025 (the "New 2029 Notes Initial Call Date"), the Issuer may redeem the 2029 Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the New 2029 Notes were redeemed on the New 2029 Notes Initial Call Date at the applicable redemption price for such date set forth in the table below under "—Optional Redemption without a Make-Whole Premium" for the New 2029 Notes) on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points less (b) interest accrued to the redemption date (the excess of such amount, if any, over the principal amount to be redeemed, the "New 2029 Notes Make-Whole Redemption Premium"); and

(2) 100% of the principal amount of the New 2029 Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon, and any additional amounts, if any, to the redemption date.

Prior to May 28, 2026 (the "New 2030 Notes Initial Call Date"), the Issuer may redeem the New 2030 Notes at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date (assuming the New 2030 Notes were redeemed on the New 2030 Notes Initial Call Date at the applicable redemption price for such date set forth in the table below under "—Optional Redemption without a Make-Whole Premium" for the New 2030 Notes) on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points less (b) interest accrued to the redemption date (the excess of such amount, if any, over the principal amount to be redeemed, the "New 2030 Notes Make-Whole Redemption Premium"); and

(2) 100% of the principal amount of the New 2030 Notes to be redeemed,

plus, in either case, accrued and unpaid interest thereon, and any additional amounts, if any, to the redemption date.

"Treasury Rate" means, with respect to any redemption date, the yield determined by the Issuer in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Issuer after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the redemption date based upon the yield or yields for the most recent day that

appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) - H.15" (or any successor designation or publication) ("H.15") under the caption "U.S. government securities–Treasury constant maturities–Nominal" (or any successor caption or heading). In determining the Treasury Rate, the Issuer shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the redemption date to the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable, (the "Remaining Life"); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable, on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the redemption date.

If on the third Business Day preceding the redemption date H.15 or any successor designation or publication is no longer published, the Issuer shall calculate the Treasury Rate based on the rate per annum equal to the quarterly equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such redemption date of the United States Treasury security maturing on, or with a maturity that is closest to, the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable. If there is no United States Treasury security maturing on the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable, but there are two or more United States Treasury securities with a maturity date equally distant from the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable, one with a maturity date preceding the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable, and one with a maturity date following the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable, the Issuer shall select the United States Treasury security with a maturity date preceding the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable. If there are two or more United States Treasury securities maturing on the New 2029 Notes Initial Call Date or the New 2030 Notes Initial Call Date, as applicable, or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Issuer shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semiannual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Issuer's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error. The Trustee shall have no obligation to calculate or verify any calculation of the redemption price.

Optional Redemption of the New 2029 Notes without a Make-Whole Premium

On or after the New 2029 Notes Initial Call Date, the Issuer may, at its option, redeem the New 2029 Notes, in whole or in part, at the following redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest to, but excluding, the redemption date and Additional Amounts, if any, on the New 2029 Notes redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on May 28 of the years indicated below, subject to the rights of Holders of New 2029 Notes on the relevant record date to receive interest on the relevant New Notes Interest Payment Date:

Year	Percentage
2025	103.000%
2026 (and thereafter)	100.000%

Optional Redemption of the New 2030 Notes without a Make-Whole Premium

On or after the New 2030 Notes Initial Call Date, the Issuer may, at its option, redeem the New 2030 Notes, in whole or in part, at the following redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest to, but excluding, the redemption date and Additional Amounts, if any, on the New 2030 Notes redeemed to the applicable redemption date, if redeemed during the twelve-month period beginning on May 28 of the years indicated below, subject to the rights of Holders of New 2030 Notes on the relevant record date to receive interest on the relevant New Notes Interest Payment Date:

Year	Percentage
2026	105.438%
2027	102.719%
2028 (and thereafter)	100.000%

Optional Redemption upon a Tax Event

If as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction, or any amendment to or change in an official interpretation, administration or application of such laws, rules or regulations, or any treaties or related agreements to which the Taxing Jurisdiction is a party (including a holding by a court of competent jurisdiction), which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the Closing Date (or, if the Taxing Jurisdiction became a Taxing Jurisdiction on a later date, such later date), (i) the Issuer or any successor to the Issuer has or will become obligated to pay additional amounts as described below under "—Additional Amounts," or (ii) any of the Guarantors or any successor to any of the Guarantors has or will become obligated to pay additional amounts as described under "—Additional Amounts," in each case, in excess of the additional amounts, if any, that would have been payable on the date that the relevant Taxing Jurisdiction became a Taxing Jurisdiction, the Issuer or any successor to the Issuer may, at its option, redeem all, but not less than all, of the New Notes, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to, but excluding, the date fixed for redemption (including any additional amounts which are then payable), upon publication of irrevocable notice not less than 30 days nor more than 60 days prior to the date fixed for redemption. No notice of such redemption may be given earlier than 60 days prior to the earliest date on which the Issuer, the Guarantors or a successor to the foregoing would, but for such redemption, become obligated to pay any such additional amounts were payment then due. For the avoidance of doubt, the Issuer or any successor to the Issuer shall not have the right to so redeem the New Notes unless (a) it is or will become obligated to pay such additional amounts or (b) any of the Guarantors or any successor to any of the Guarantors is or will become obligated to pay such additional amounts. Notwithstanding the foregoing, the Issuer or any such successor shall not have the right to so redeem the New Notes unless it has taken reasonable measures (including without limitation, using reasonable measures to cause payment on the New Notes to be made through a paying agent in a different jurisdiction or by the Issuer, its successor or another Subsidiary) to avoid the obligation to pay such additional amounts. For the avoidance of doubt, reasonable measures do not include changing the jurisdiction of incorporation of the Issuer or any successor of the Issuer.

In the event that the Issuer or any successor to the Issuer elects to so redeem the New Notes, it will deliver to the Trustee: (1) a certificate, signed in the name of the Issuer or any successor to the Issuer by any two of its executive officers or by its attorney in fact in accordance with its bylaws, stating that the Issuer or any successor to the Issuer is entitled to redeem the New Notes pursuant to their terms and setting forth a statement of facts showing that the condition or conditions precedent to the right of the Issuer or any successor to the Issuer to so redeem have occurred or been satisfied and that such obligation to pay additional amounts cannot be avoided by taking reasonable measures to avoid such obligation (including, without limitation, by causing payment on the New Notes to be made through a paying agent in a different jurisdiction or by a Subsidiary); and (2) an opinion of counsel, who is reasonably acceptable to the Trustee, to the effect that (i) the Issuer or any successor to the Issuer has or will become obligated to pay additional amounts or the Guarantors or any successor to the Guarantors is or will become obligated to pay additional amounts in either case in excess of the additional amounts, if any, that would have been payable on the date that the relevant Taxing Jurisdiction became a Taxing Jurisdiction, (ii) such obligation is the result of a change in or amendment to the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction, as described above, and (iii) that all governmental requirements necessary for the Issuer or any successor to the Issuer to effect the redemption have been complied with.

Optional Clean-Up Redemption

In connection with any tender offer (including any Parent Change of Control Offer or Mandatory Repurchase Offer made in accordance with the terms of the New Notes Indenture) for New Notes of the relevant series, if Holders of not less than 85% in aggregate principal amount of the outstanding New Notes of such series validly tender and do not withdraw such New Notes in such tender offer and the Issuer, or any third party making such tender offer purchases all of the New Notes of such series validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice to the Holders (with a copy to the Trustee), given not more than 30 days following such purchase date, to redeem or purchase all the New Notes of such series that remain outstanding following such purchase at a price equal to the price paid to the Holders in such tender offer plus, to the extent not included in the purchase price, accrued and unpaid interest and Additional Amounts, if any, on the New Notes of such series that remain outstanding, to, but excluding, the date of redemption.

The Issuer shall calculate the redemption price in connection with any redemption, and the Trustee shall have no duty to calculate or verify any such calculation.

Optional Redemption Procedures

The Issuer will provide not less than ten nor more than 60 days' notice sent to each registered holder of the New Notes of the relevant series to be redeemed. If the redemption notice is given and funds deposited as required, then interest will cease to accrue on and after the redemption date on the New Notes or portions of such New Notes called for redemption. In the event that any redemption date is not a Business Day, the Issuer will pay the redemption price on the next Business Day with the same force and effect as if paid on the redemption date and without any interest or other payment due to the delay.

If less than all of the outstanding New Notes are to be redeemed, subject to the DTC procedures for global notes, the Trustee will select the New Notes to be redeemed in principal amounts of US$1.00 or integral multiples of US$1.00 in excess thereof. In this case, the Trustee may select the New Notes of such series by lot, pro rata or by any other method the Trustee considers fair and appropriate and in accordance with methods generally used at the time of selection by indenture trustees in similar circumstances. The Trustee will make the selection at least ten days but no more than 60 days before the redemption date from outstanding New Notes not previously called for redemption.

Offers to Purchase

Parent Change of Control Event Offer to Purchase

If a Parent Change of Control Event occurs, each holder of New Notes will have the right, after the final settlement date of any offer (a "First Priority Secured Debt Change of Control Offer") made by any of the Obligors to the holders of First Priority Secured Debt to repurchase such First Priority Secured Debt in accordance with the First Priority Secured Debt Documentation, to require the Issuer to repurchase all or any part of that holder's New Notes pursuant to an offer (a "Parent Change of Control Offer") at a purchase price in cash equal to 101% of the aggregate principal amount of New Notes of the relevant series repurchased, plus accrued and unpaid interest on the New Notes of the relevant series repurchased to the date of repurchase (the "Parent Change of Control Payment"), subject to the rights of Holders of New Notes on the relevant record date to receive interest due on the relevant New Notes Interest Payment Date. Within 30 days following any Parent Change of Control Event (or such later date as is five Business Days following the final settlement date of any First Priority Secured Debt Change of Control Offer), the Issuer will mail or send electronically pursuant to applicable DTC procedures a notice to each holder and the Trustee describing the transaction or transactions that constitute the Parent Change of Control Event and offering to repurchase New Notes on the date specified in the notice (the "Parent Change of Control Payment Date"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed or sent, pursuant to the procedures required by the New Notes Indenture and described in such notice. To the extent that the provisions of any securities laws or regulations conflict with the Parent Change of Control provisions of the New Notes Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Parent Change of Control provisions of the New Notes Indenture by virtue of such compliance.

On the Parent Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all New Notes or portions of New Notes properly tendered (and not properly withdrawn) pursuant to the Parent Change of Control Offer;

(2) deposit with a paying agent an amount equal to the Parent Change of Control Payment in respect of the aggregate principal amount of New Notes properly tendered (and not properly withdrawn); and

(3) deliver or cause to be delivered to the Trustee, for cancellation by the Trustee, the New Notes of the relevant series properly accepted for purchase by the Issuer together with an Officer's Certificate stating the aggregate principal amount of New Notes purchased by the Issuer.

The Issuer will not be required to make a Parent Change of Control Offer upon a Parent Change of Control Event if (1) a third party makes the Parent Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the New Notes Indenture applicable to a Parent Change of Control Offer made by the Issuer and purchases all New Notes properly tendered (and not properly withdrawn) under the Parent Change of Control Offer, or (2) notice of redemption with respect to all New Notes has been given pursuant to the New Notes Indenture as described above under the caption "—Optional Redemption," unless and until there is a default in payment of the applicable redemption price; and a Parent Change of Control Offer may be made in advance of a Parent Change of Control Event, conditioned upon the consummation of such Parent Change of Control and the occurrence of a Rating Decline, if a definitive agreement is in place for the Parent Change of Control at the time the Parent Change of Control Offer is made. For the avoidance of doubt, the New Notes Indenture provides that the Issuer' failure to offer to purchase the New Notes would constitute an Event of Default under clause (3) and not clause (1) under the caption "—Events of Default," but the failure of the Issuer to pay the Parent Change of Control Payment when due shall constitute an Event of Default under clause (1) under such caption.

Future indebtedness that the Issuer or the other Guarantors may incur may contain prohibitions on the occurrence of certain events that would constitute a Parent Change of Control or require the repurchase of such indebtedness upon a Parent Change of Control. Moreover, the exercise by the Holders of New Notes of the relevant series of their right to require the Issuer to repurchase their New Notes could cause a default under such indebtedness, even if the Parent Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer' ability to pay cash to the Holders of New Notes following the occurrence of a Parent Change of Control may be limited by the Issuer' then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "Risk Factors—Risks Relating to the New Notes—The New Notes Issuer and the Guarantors may not be able to finance a change of control offer required by the New Notes Indenture governing the New Notes."

The definition of Parent Change of Control does not include an event that would occur be triggered upon any significant change in the composition of the Board of Directors.

The definition of Parent Change of Control includes a phrase relating to the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation) of "all or substantially all" of the properties or assets of the Parent Guarantor and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of New Notes to require the Issuer to repurchase its New Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Parent Guarantor and its Subsidiaries taken as a whole to another Person or group may be uncertain.

The Obligors will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws in making any Parent Change of Control Offer, and the above procedures will be deemed modified as necessary to permit such compliance.

Mandatory Repurchase Offers for New Notes

In the event the Parent Guarantor or any of its Subsidiaries receives Net Proceeds that are remaining after any redemption, repurchase or other retirement of First Priority Secured Debt that is required in accordance with the

documentation governing such First Priority Secured Debt in respect of (i) a Recovery Event ("Recovery Event Proceeds") that causes the aggregate amount of all Recovery Event Proceeds received since the Closing Date to exceed US$10.0 million (such excess amounts, "Excess Recovery Event Proceeds") or (ii) any Contingent Payment Event ("Contingent Payment Event Proceeds") that causes the aggregate amount of all Contingent Payment Event Proceeds received since the Closing Date to exceed US$10.0 million (each of the events set forth in clauses (i) and (ii), a "Mandatory Repurchase Offer Event"), the Issuer shall make an offer (a "Mandatory Repurchase Offer") to all Holders to purchase the maximum principal amount of New Notes on a pro rata basis that may be purchased out of the relevant series of New Notes' Allocable Share of such Excess Recovery Event Proceeds or Contingent Payment Event Proceeds, as applicable (the "Applicable Mandatory Repurchase Offer Proceeds") at a repurchase price equal to par plus accrued and unpaid interest on the principal amount being repurchased to, but excluding, the repurchase date; *provided* that, upon the occurrence of a Mandatory Repurchase Offer Event in respect of a Recovery Event, the Issuer must provide notice to the Trustee of the Recovery Event and, as long as no Event of Default shall have occurred and be continuing at the time of such Mandatory Repurchase Offer Event, the Issuer shall have the option to (x) invest the Recovery Event Proceeds within 365 days of receipt thereof in Qualified Replacement Assets or (y) repair, replace or restore the assets which are the subject of such Recovery Event; *provided* further, that any Recovery Event Proceeds from such Recovery Event that are not invested within such 365-day period will thereafter not constitute Excess Recovery Event Proceeds, but any such amounts in excess of US$10.0 million must be applied as a mandatory prepayment in accordance with "—Mandatory Prepayment; No Sinking Fund" at a repurchase price equal to par plus accrued and unpaid interest on the principal amount being repurchased to, but excluding, the repurchase date. Notices of a Mandatory Repurchase Offer ("Mandatory Repurchase Offer Notices") shall be sent by first class mail or sent electronically, no later than ten Business Days after the receipt of Net Proceeds therefrom, in each case, to each Holder at such Holder's registered address or otherwise in accordance with the applicable procedures of DTC.

To the extent that the aggregate principal amount of New Notes validly tendered (and not validly withdrawn) connection with a Mandatory Repurchase Offer is less than the Applicable Mandatory Repurchase Offer Proceeds, the Issuer may, after purchasing all such New Notes validly tendered and not withdrawn, use the remaining Applicable Mandatory Repurchase Offer Proceeds for any purpose not otherwise prohibited by the New Notes Indenture. If the aggregate principal amount of the New Notes validly tendered pursuant to any Mandatory Repurchase Offer exceeds the Applicable Mandatory Repurchase Offer Proceeds, the Issuer will allocate the Applicable Mandatory Repurchase Offer Proceeds to purchase New Notes on a pro rata basis on the basis of the aggregate principal amount of tendered New Notes; *provided* that no New Notes will be selected and purchased in an unauthorized denomination. Upon completion of any repurchase of New Notes in a Mandatory Repurchase Offer, the amount of Applicable Mandatory Repurchase Offer Proceeds shall be reset at zero.

The Obligors will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws in making any Mandatory Repurchase Offer, and the above procedures will be deemed modified as necessary to permit such compliance.

Mandatory Repurchase Offer for New 2029 Notes

The Issuer shall, no later than October 26, 2024 (being the maturity date of the Existing 2024 Notes) consummate an offer (the "New 2029 Notes Repurchase Offer") to all Holders of New 2029 Notes to purchase, on a pro rata basis, an amount equal to 19% of the outstanding aggregate principal amount of the New 2029 Notes on the Closing Date, at a purchase price equal to 100% of the principal amount of the New 2029 Notes plus accrued and unpaid interest thereon to, but excluding, the repurchase date. The Issuer shall be permitted to commence the New 2029 Notes Repurchase Offer on any Business Day determined by the Issuer in its sole discretion; provided that the New 2029 Notes Repurchase Offer is consummated on or before October 26, 2024.

If the Issuer has not consummated the New 2029 Notes Repurchase Offer by November 30, 2023, then the interest rate on the New 2029 Notes shall increase by 2.000% (the "Repurchase Offer Step-up Amount") with effect from such date. The Repurchase Offer Step-up Amount shall cease to apply with effect from the date that the Issuer consummates the New 2029 Notes Repurchase Offer.

A notice of the New 2029 Notes Repurchase Offer (the "New 2029 Notes Repurchase Offer Notice") shall be sent by first class mail or sent electronically, no later than the commencement of the New 2029 Notes Repurchase

Offer, to each Holder at such Holder's registered address or otherwise in accordance with the applicable procedures of DTC.

The Obligors will comply with Rule 14e-1 under the Exchange Act (to the extent applicable) and all other applicable laws in making the New 2029 Notes Repurchase Offer, and the above procedures will be deemed modified as necessary to permit such compliance.

The New Notes Indenture provides that it shall be an Event of Default under the New 2029 Notes if the Issuer has not consummated the New 2029 Notes Repurchase Offer by October 26, 2024 (being the maturity date of the Existing 2024 Notes).

The New Notes Indenture provides that, prior to the consummation of the New 2029 Notes Repurchase Offer, the Obligors shall not, and the Parent Guarantor shall procure that its Subsidiaries shall not:

(i) on or after the Final Settlement Date, other than pursuant to the Exchange Offers, repurchase, redeem, defease, prepay or otherwise acquire or retire for value (a) any Existing Notes, (b) AerCap Secured Obligations in excess of US$50.0 million, or (c) any Convertible Debentures;

(ii) make any payment, prepayment, repurchase, redemption, defeasance or other acquisition or retirement for value, for more than a *de minimis amount*, in respect of any Indebtedness of the Parent Guarantor or any of its Subsidiaries, in each case other than any mandatory or scheduled payment, prepayment, repurchase, redemption, defeasance or other acquisition or retirement for value of such Indebtedness in accordance with, or otherwise to comply with, the terms of such Indebtedness; and

(iii) make any Restricted Payment,

except for the issuance by the Parent Guarantor or any of its Subsidiaries (or the agreement to issue), to any lessors and OEMs, of any senior unsecured notes or equity instruments convertible into preferred shares as contemplated by "Summary—Recent Developments—Proposed Lease and OEM Supplier Restructuring."

Certain Covenants

The New Notes Indenture will contain, among other things, the following covenants:

TudoAzul and Azul Viagens Receivables; Receivables Coverage Obligations

The Parent Guarantor shall procure that, at all times (except for a period to be set forth in the New Notes Indenture while post-closing efforts are being undertaken, which shall in no event be later than 60 calendar days after the Closing Date), the Shared Collateral includes:

(i) a fiduciary assignment (*cessão fiduciária*) (which is the TudoAzul Fiduciary Assignment) in respect of:

(a) Assigned TudoAzul Receivables that represent at least 70% of the TudoAzul Gross Billings for the four most recently completed Quarterly Reporting Periods, such percentage to be tested as of the end of each Quarterly Reporting Period (the "TudoAzul Receivables Coverage Covenant");

(b) the TudoAzul Receivables Deposit Account; and

(c) all of the Designated TudoAzul Credit Card and Debit Card Receivables and the TudoAzul Receivables Deposit Account; *provided* that the fiduciary assignment in respect of the Designated TudoAzul Credit Card and Debit Card Receivables shall provide that upon an Obligor's entry into any Anticipation transaction (which shall be permitted to be entered into with any counterparty) with respect to any Designated TudoAzul Credit Card and Debit Card Receivables, such Designated TudoAzul Credit Card and Debit Card Receivables shall be automatically released from the fiduciary assignment so long as (x) no Event of Default (or equivalent event) has occurred and is continuing, and (y) the net proceeds received from such Anticipation (after the deduction of any fees, charges, discounts or other finance or transaction costs) ("Anticipated

Designated TudoAzul Credit Card and Debit Card Receivables") are paid directly by the payor into the TudoAzul Receivables Deposit Account; and

(ii) a fiduciary assignment (*cessão fiduciária*) (which is the Azul Viagens Fiduciary Assignment) in respect of:

(a) all of Assigned Azul Viagens Receivables that represent at least 80% of the Azul Viagens Gross Billings for the four most recently completed Quarterly Reporting Periods, such percentage to be tested as of the end of each Quarterly Reporting Period (the "Azul Viagens Receivables Coverage Covenant");

(b) the Azul Viagens Receivables Deposit Account; and

(c) all of the Designated Azul Viagens Credit Card and Debit Card Receivables; *provided* that the fiduciary assignment in respect of the Designated Azul Viagens Credit Card and Debit Card Receivables shall provide that upon an Obligor's entry into any Anticipation transaction (which shall be permitted to be entered into with any counterparty) with respect to any Designated Azul Viagens Credit Card and Debit Card Receivables, such Designated Azul Viagens Credit Card and Debit Card Receivables shall be automatically released from such fiduciary assignment so long as (x) no Event of Default (or equivalent event) has occurred and is continuing, and (y) the net proceeds received from such Anticipation (after the deduction of any fees, charges, discounts or other finance or transaction costs) ("Anticipated Designated Azul Viagens Credit Card and Debit Card Receivables") are paid directly into the Azul Viagens Receivables Deposit Account.

The Parent Guarantor shall, subject to the 60 day transition period referred to below, procure that all:

(i) cash payments under each TudoAzul Agreement (whether or not an Assigned TudoAzul Agreement) shall be paid directly by the payor into the TudoAzul Receivables Deposit Account;

(ii) the proceeds of all Brazilian *real*-denominated credit card and debit card receivables (which, for the avoidance of doubt, excludes Foreign TudoAzul Card Receivables (as defined below)) ("BRL TudoAzul Credit Card and Debit Card Receivables") generated by the TudoAzul Program which relate to (i) purchases of Points by customers, and (ii) membership fees from members of Clube TudoAzul (the "Designated TudoAzul Credit Card and Debit Card Receivables") shall be paid directly by the payor into the TudoAzul Receivables Deposit Account;

(iii) the net proceeds of any credit card and debit card receivables other than BRL TudoAzul Credit Card and Debit Card Receivables ("Foreign TudoAzul Card Receivables") generated by Designated TudoAzul Credit Card and Debit Card Receivables are transferred into the TudoAzul Receivables Deposit Account within two Business Days after receipt and identification thereof by the Parent Guarantor or any of its Subsidiaries;

(iv) the net proceeds of any Anticipated Designated TudoAzul Credit Card and Debit Card Receivables are paid directly by the payor into the TudoAzul Receivables Deposit Account;

(v) all receivables under each Azul Viagens Agreement (whether or not an Assigned Azul Viagens Agreement) shall be paid directly by the payor into the Azul Viagens Receivables Deposit Account;

(vi) the proceeds of all the Brazilian *real*-denominated credit card and debit card receivables (which, for the avoidance of doubt, excludes Foreign Azul Viagens Card Receivables (as defined below)) ("BRL Azul Viagens Credit Card and Debit Card Receivables") generated by the Azul Viagens Business (the "Designated Azul Viagens Credit Card and Debit Card Receivables") shall be paid directly by the payor into the Azul Viagens Receivables Deposit Account;

(vii) the net proceeds of any credit card and debit card receivables other than BRL TudoAzul Credit Card and Debit Card Receivables ("Foreign Azul Viagens Card Receivables") generated by Designated Azul Viagens Credit Card and Debit Card Receivables are transferred into the Azul Viagens Receivables Deposit Account within two Business Days after receipt and identification thereof by the Parent Guarantor or any of its Subsidiaries;

(viii) the net proceeds of any Anticipated Designated Azul Viagens Credit Card and Debit Card Receivables are paid directly by the payor into the Azul Viagens Receivables Deposit Account; and

(ix) the proceeds of any receivables pursuant to items (ii) to (iv) above are allocated to designated "branches," which shall contain separate tax identification numbers to enable the separate identification of payments in respect of the TudoAzul Program.

Notwithstanding the foregoing, the obligation of the Parent Guarantor to procure that certain amounts are paid directly into the relevant Collection Accounts referred to above shall be subject to a 60-day transition period commencing on the Closing Date, during which period the Parent Guarantor shall procure the relevant payors and payment processors are notified of the requirement to pay amounts into the relevant Collection Account. During such 60-day transition period, the Obligors shall be entitled to permit the relevant payors and payment processors to pay the relevant amounts either into any existing bank account previously notified to such payor or into the relevant Collection Account; provided that the Parent Guarantor or any of its Subsidiaries shall transfer any such amounts that are paid into bank accounts other than the relevant Collection Account into the relevant Collection Account within two Business Days after receipt and identification thereof by the Parent Guarantor or any its Subsidiaries.

On the Closing Date, the Assigned TudoAzul Agreements shall comprise the Closing Date Assigned TudoAzul Agreements. On the Closing Date, the Assigned Azul Viagens Agreements shall comprise the Closing Date Assigned Azul Viagens Agreement.

Any Obligor may, at the direction of the Parent Guarantor and without the consent of the Holders or any other party, at any time, (i) amend the TudoAzul Fiduciary Assignment in order to add additional Shared Collateral to secure the New Notes, including in order to comply with the TudoAzul Receivables Coverage Covenant and (ii) amend the Azul Viagens Fiduciary Assignment in order to add additional Collateral to secure the New Notes, including in order to comply with the Azul Viagens Receivables Coverage Covenant. Notwithstanding any other provision of the Transaction Documents (except as constituting an Event of Default), the termination, expiration or cancellation of any Assigned TudoAzul Agreement or Assigned Azul Viagens Agreement shall not constitute a Default, an Event of Default or a breach or default (however phrased) under the relevant Collateral Document.

The Parent Guarantor shall or shall procure that its subsidiaries shall within 60 days following the Closing Date: (i) notify all Closing Date Active Travel Agent Counterparties that any receivables payable to the Azul Viagens Business shall be paid directly into the Azul Viagens Receivables Deposit Account, and (ii) procure that the terms of business for the Azul Viagens Business that apply to existing and new customers and other counterparties (including the terms of any Azul Viagens Agreements) provide that that any receivables payable to the Azul Viagens Business shall be paid directly into the Azul Viagens Receivables Deposit Account.

For reasons of commercial confidentiality, except for information that is otherwise publicly available, the Holders shall not be entitled to details of the Assigned TudoAzul Agreements or the Assigned Azul Viagens Agreements, and it is acknowledged and agreed that Azul shall not publish or otherwise make available to the Holders any such details, except to the Trustee such information (with names of counterparties to the Assigned TudoAzul Agreements or the Assigned Azul Viagens Agreements redacted but shall be included in the Collateral Documents to the extent necessary for perfection purposes) as shall be necessary to verify calculations of TudoAzul Receivables Coverage Covenant and the Azul Viagens Receivables Coverage Covenant.

It is acknowledged and agreed that neither the Parent Guarantor nor any of its Subsidiaries shall be required to make publicly available any financial information in respect of the TudoAzul Program (including Clube TudoAzul) or the Azul Viagens Business. Any financial information required to be calculated in respect of the TudoAzul Program or the Azul Viagens Business pursuant to the terms of the Indenture or the Collateral Documents shall be permitted to be calculated by or on behalf of the Obligors using management financial information and such information shall not be required to be subject to any audit or review procedures by an independent auditor.

Counterparty Notification Requirements

Subject to a period to be set forth in the New Notes Indenture while post-closing efforts are being undertaken (which shall in no event be later than 60 calendar days after the Closing Date), the Parent Guarantor and Azul Linhas shall procure that the payor in respect of any Assigned TudoAzul Receivables (other than any Foreign TudoAzul Card Receivables) and Assigned Azul Viagens Receivables (other than any Foreign Azul Viagens Card Receivables) is notified that the relevant receivables are subject to the relevant fiduciary assignment (*cessão fiduciária*) and shall be paid exclusively and directly into the relevant Collection Account, pursuant to the terms of

the relevant Collateral Document. For the avoidance of doubt, (i) the aforementioned notifications shall not be required to be countersigned or otherwise acknowledged by the relevant payor, except where required by such contract to permit the fiduciary assignment (*cessão fiduciária*), and (ii) the aforementioned notification requirement shall also apply with respect to any Assigned TudoAzul Receivables and any Assigned Azul Viagens Receivables (and the applicable payors thereof) arising after the Closing Date.

Counterparty Consent Requirements

Notwithstanding any provisions in the Transaction Documents, if any receivables that are to be subject to a fiduciary assignment (*cessão fiduciária*) from time (including any receivables acquired or arising after the Closing Date and in respect of any Additional Collateral) to time requires the consent of the relevant payor or counterparty in order for such receivables to be subject to the fiduciary assignment (*cessão fiduciária*), then the Shared Collateral interest in respect of such terms of such receivables shall take effect only upon the receipt by the Parent Guarantor or any of its Subsidiaries (as applicable) of such consent. Until such consent is obtained, such receivables shall not be included in the numerator of the TudoAzul Receivables Coverage Covenant or the Azul Viagens Coverage Covenant.

In respect of the Closing Date Assigned TudoAzul Agreements to be subject to the TudoAzul Fiduciary Assignment, Azul Linhas shall have a period of 30 days following the Closing Date (extendable for an additional 30 days upon notice to the Trustee) in order to obtain the consent of the counterparties to the relevant Closing Date Assigned TudoAzul Agreements in order to permit the TudoAzul Fiduciary Assignment to take effect with respect to such Closing Date Assigned TudoAzul Agreement.

In respect of the Closing Date Assigned Azul Viagens Agreement to be subject to the Azul Viagens Fiduciary Assignment, Azul Viagens shall have a period of 30 days following the Closing Date (extendable for an additional 30 days upon notice to the Trustee) in order to obtain the consent of the counterparties to the Closing Date Assigned Azul Viagens Agreement in order to permit the Azul Viagens Fiduciary Assignment to take effect with respect to the Closing Date Assigned TudoAzul Agreement.

Azul Cargo Collateral

The Parent Guarantor shall procure that, at all times (except for a period to be set forth in the New Notes Indenture while post-closing efforts are being undertaken, which shall in no event be later than 60 calendar days after the Closing Date), the Azul Cargo Collateral includes:

(i) a fiduciary assignment (*cessão fiduciária*) in respect of all of the Designated Azul Cargo Credit and Debit Card Receivables and the Azul Cargo Receivables Deposit Account; *provided* that the fiduciary assignment in respect of the Designated Azul Cargo Credit Card and Debit Card Receivables shall provide that upon an Obligor's entry into any Anticipation transaction (which shall be permitted to be entered into with any counterparty) with respect to any Designated Azul Cargo Credit Card and Debit Card Receivables, such Designated Azul Cargo Credit Card and Debit Card Receivables shall be automatically released from the fiduciary assignment so long as (x) no Event of Default (or equivalent event) has occurred and is continuing, and (y) the net proceeds received from such Anticipation (after the deduction of any fees, charges, discounts or other finance or transaction costs) ("Anticipated Designated Azul Cargo Credit Card and Debit Card Receivables") are paid directly by the payor into the Azul Cargo Receivables Deposit Account; and

(ii) a fiduciary transfer (*alienação fiduciária*) in respect of the Azul Cargo Intellectual Property.

The Parent Guarantor shall procure that all:

(i) receivables generated by the Azul Cargo Business in transactions entered into with customers in the ordinary course of business (other than (a) receivables that are payable by the Parent Guarantor of its subsidiaries, and (b) Foreign Azul Cargo Card Receivables) shall be paid directly by the payor into the Azul Cargo Receivables Deposit Account;

(ii) the proceeds of all Brazilian *real*-denominated credit card and debit card receivables (which, for the avoidance of doubt, excludes Foreign Azul Cargo Card Receivables (as defined below)) ("BRL Azul Cargo Credit

Card and Debit Card Receivables") generated by the Azul Cargo Business (the "Designated Azul Cargo Credit Card and Debit Card Receivables") shall be paid directly by the payor into the Azul Cargo Receivables Deposit Account;

(iii) the net proceeds of any credit card and debit card receivables other than BRL Azul Cargo Credit Card and Debit Card Receivables ("Foreign Azul Cargo Card Receivables") generated by the Azul Cargo Business are transferred into the Azul Cargo Receivables Deposit Account within two Business Days after receipt and identification thereof by the Parent Guarantor or any of its Subsidiaries;

(iv) the net proceeds of any Anticipated Designated Azul Cargo Credit Card and Debit Card Receivables are paid directly by the payor into the Azul Cargo Receivables Deposit Account; and

(v) the proceeds of any receivables pursuant to items (ii) to (iv) above are allocated to designated "branches," which shall contain separate tax identification numbers to enable the separate identification of payments in respect of the Azul Cargo Business.

It is acknowledged and agreed that neither the Parent Guarantor nor any of its Subsidiaries shall be required to make publicly available any financial information in respect of the Azul Cargo Business. Any financial information required to be calculated in respect of the Azul Cargo Business pursuant to the terms of the Indenture or the Collateral Documents shall be permitted to be calculated by or on behalf of the Obligors using management financial information and such information shall not be required to be subject to any audit or review procedures by an independent auditor.

At any time prior to the occurrence of an Event of Default, amounts in the Azul Cargo Receivables Deposit Account shall be transferred daily into the Azul Linhas Freeflow Account, and the terms of the Azul Cargo Fiduciary Assignment will provide accordingly. The Azul Cargo Fiduciary Assignment and, if and when entered into, the Azul Cargo Intercreditor Agreement, shall contain provisions relating to the enforcement of, and application of proceeds in relation to, the Azul Cargo Receivables Deposit Account.

Subject to a period to be set forth in the New Notes Indenture while post-closing efforts are being undertaken (which shall in no event be later than 60 calendar days after the Closing Date), the Parent Guarantor and Azul Linhas shall procure that the payor in respect of any Designated Azul Cargo Credit Card and Debit Card Receivables (other than any Foreign Azul Cargo Card Receivables) is notified that the relevant receivables are subject to the relevant fiduciary assignment (*cessão fiduciária*) and shall be paid exclusively and directly into the Azul Cargo Receivables Deposit Account, pursuant to the terms of the Azul Cargo Fiduciary Assignment. For the avoidance of doubt, (i) the aforementioned notifications shall not be required to be countersigned or otherwise acknowledged by the relevant payor, except where required by such contract to permit the fiduciary assignment (*cessão fiduciária*), and (ii) the aforementioned notification requirement shall also apply with respect to any Designated Azul Cargo Credit Card and Debit Card Receivables (and the applicable payors thereof) arising after the Closing Date.

Notwithstanding any provisions in the Azul Cargo Collateral Documents and any Azul Cargo Priority Secured Debt Documents, if any receivables that are to be subject to a fiduciary assignment (*cessão fiduciária*) from time (including any receivables acquired or arising after the Closing Date and in respect of any Additional Collateral) to time requires the consent of the relevant payor or counterparty in order for such receivables to be subject to the fiduciary assignment (*cessão fiduciária*), then the Azul Cargo Collateral interest in respect of such terms of such receivables shall take effect only upon the receipt by the Parent Guarantor or any of its Subsidiaries (as applicable) of such consent.

Collection Accounts

The Collection Accounts shall be in the name of an Obligor and subject to the Lien of the Applicable Collateral Representatives for the benefit of the Secured Parties and under the exclusive control of the Account Bank acting under the instructions of the Applicable Collateral Representatives, subject to the Intercreditor Agreement. The Account Bank shall have no right of set-off or counterclaim on account of claims against the Obligors, the Collection Agents or any other person against any Collection Account or any other account established in connection with the New Notes, except for customary administrative items.

To the extent the Obligors or any of their subsidiaries receives any payments that are required, pursuant to the terms of the relevant Collateral Document, to be paid directly into a Collection Account, into an account other than the relevant Collection Account, such Obligor shall deposit or cause such amounts to be deposited, as the case may be, directly into the relevant Collection Account within two Business Days after receipt and identification thereof.

Whether or not a Default or an Event of Default has occurred and is continuing, any amounts not required to be paid directly into the relevant Collection Account pursuant to the terms of the relevant Collateral Document that are paid directly into the relevant Collection Account in error will, following certification to the Account Bank and the Applicable Collateral Representatives to such effect, transferred by the Account Bank from the relevant Collection Account to the relevant Freeflow Account on the Business Day following receipt of such certification.

The Obligors may or may cause any of their subsidiaries (with written notice to the Account Bank and the Applicable Collateral Representatives) to deposit amounts into any Collection Account from time to time prior to a Distribution Date. Any amounts so deposited into any Collection Account that are not required to be paid into a Collection Account pursuant to the terms of any Secured Debt Document are referred to herein as "Voluntary Contributions." Any Voluntary Contribution shall not be included in the numerator of the TudoAzul Receivables Collateral Coverage Covenant or the Azul Viagens Collateral Coverage Covenant.

At any time prior to a Remedies Direction, the Obligors shall be entitled to instruct the Brazilian Collateral Agent to transfer any amounts in any Collection Account into the USD Blocked Account and the Obligors shall be permitted to maintain balances in the USD Blocked Account including, without limitation, for the purposes of the determining whether the Quarterly Freeflow Date has occurred as contemplated by the definition of Quarterly Freeflow Date.

Pending application, amounts retained in the Collection Accounts may be invested (at the instruction of the Parent Guarantor or other Obligor, which may be a standing instruction) in Cash Equivalents that are both denominated and payable in Brazilian *reais*.

Notwithstanding anything herein to the contrary, so long as no Event of Default has occurred and is continuing and so long as permitted by the terms of any First Priority Secured Debt (including any required offers to prepay) at such time, funds on deposit in the Collection Accounts will be transferred by the Account Bank from the relevant Collection Account to the relevant Freeflow Account on the Business Day following deposit thereof.

The terms of the relevant Transaction Documentation shall permit the Obligors to replace any Account Bank from time to time, subject to valid and perfected Liens over the existing Collection Account(s) remaining in place until valid and perfected Liens over the new Collection Account(s) are established.

Maintenance of Accounts/Payment of the New Notes

The Issuer (or, at the option of the Parent Guarantor, any Obligor) shall establish and maintain or cause to be maintained (i) under the sole dominion and control of the U.S. Collateral Agent, the USD Payment Account and the USD Collateral Account, and (ii) under the sole dominion and control of the Brazilian Collateral Agent, the Collection Accounts, the BRL Payment Account and the BRL Collateral Account.

The Issuer will make all payments on the New Notes exclusively in such coin or currency of the United States as at the time of payment will be legal tender for the payment of public and private debts.

The Issuer will make payments of principal and interest on the New Notes to the Trustee, which will pass such funds to the Holders.

The Issuer will make payments of interest on the New Notes on the New Notes Interest Payment Dates; *provided* that if any payment with respect to interest on the New Notes is due on a day which is not a Business Day, then the payment need not be made on such date, but may be made on the next Business Day with the same force and effect as if made on such date. The Issuer will pay principal upon surrender of the relevant New Notes at the specified office of the Trustee or a paying agent. The Issuer will pay principal on the New Notes to the person in whose name the New Notes are registered at the close of business on the 15th day before the due date for payment.

Payments of principal and interest in respect of each note will be made by the Trustee by wire or by U.S. dollar check drawn on a bank in New York City and delivered to the holder of such note at its registered address. Upon application by the holder to the specified office of a paying agent not less than 15 days before the due date for any payment in respect of a note, such payment may be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City.

Under the terms of the New Notes Indenture, payment by the Issuer of any amount payable under the New Notes on the due date thereof to a paying agent in accordance with the New Notes Indenture will satisfy the obligation of the Issuer to make such payment; *provided*, *however*, that the liability of a paying agent shall not exceed any amounts paid to it by the Issuer or held by it, on behalf of the Holders.

All payments will be subject in all cases to any applicable Tax or other laws and regulations, but without prejudice to the provisions of "—Additional Amounts." No commissions or expenses will be charged to the Holders in respect of such payments.

Operation of the TudoAzul Program and Azul Viagens Business

Each Obligor (as applicable) agrees to honor Points according to the policies and procedures of the TudoAzul Program and to otherwise, subject to cure, except to the extent that would not be reasonably expected to cause a Material Adverse Effect, and shall take any action permitted under the Assigned TudoAzul Agreements and Assigned Azul Viagens Agreements and applicable law that it, in its reasonable business judgment, determines is advisable, in order to diligently and promptly (i) enforce its rights and any remedies available to it under the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreements, (ii) perform its obligations under the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreements and (iii) perform the obligations of any Obligor or their respective Subsidiaries under the Assigned TudoAzul Agreements and the Assigned Azul Viagens Agreements, in each case except as would not reasonably be expected to result in a Material Adverse Effect.

The Obligors shall not, and the Parent Guarantor shall procure that its Subsidiaries shall not (i) substantially reduce the TudoAzul Program or modify the terms of the TudoAzul Program in any manner that would reasonably be expected to result in a Material Adverse Effect, or (ii) change the policies and procedures of the TudoAzul Program except to the extent that such change would not be reasonably expected to cause a Material Adverse Effect.

For the avoidance of doubt, Azul and its Subsidiaries shall have the sole and absolute discretion to (i) modify the features or terms of Clube TudoAzul membership, or (ii) to exit from, terminate, cancel or otherwise discontinue Clube TudoAzul; *provided* that, in the case of (ii) only, Azul shall have delivered to the Trustee an Appraisal as of a date no earlier than six months prior to the date of any such exit, termination, cancellation or discontinuance, and an officer's certificate certifying that, as of such date, the LTV Ratio (calculated as to First Priority Secured Debt only) does not exceed 62.5%. The aggregate value of the TudoAzul Program (without Clube TudoAzul), the Azul Viagens Business and the Airline Intellectual Property, determined in such Appraisal will be used as part of the Appraisal used to test the LTV Ratio (calculated as to First Priority Secured Debt only).

In the New Notes Indenture, the Obligors will agree to the Non-Compete, as described under "Description of Certain Material Transaction Agreements—IP Licenses."

Each applicable Obligor shall maintain in effect commercially reasonable privacy and data security policies. Without limiting the generality of the foregoing, except as would not reasonably be expected to result in a Material Adverse Effect, each applicable Obligor shall comply in all material respects and shall cause each of its Subsidiaries and each of its Third Party Processors to be in compliance in all material respects with (i) all internal privacy policies and privacy policies contained on any websites maintained by or on behalf of each Obligor or such Subsidiary and such policies are accurate, not misleading and consistent with the actual practices of each such Obligor, (ii) all applicable Data Protection Laws with respect to Personal Data of the United States, the State of California, the United Kingdom, the Cayman Islands and the European Union and Brazil and (iii) its contractual commitments and obligations regarding Personal Data.

Notwithstanding any other provision in the Transaction Documents, the Parent Guarantor and its Subsidiaries shall be permitted, in their sole and absolute discretion, to change any aspect of the branding of, or to rebrand, the

TudoAzul Program and/or the Azul Viagens Business; *provided* that, for clarity, the modified, replacement or successor branding shall be included in the Contributed Intellectual Property; and *provided*, further, that such change would not reasonably be expected to cause a Material Adverse Effect.

Notwithstanding any other provision in the Transaction Documents, the Parent Guarantor and its Subsidiaries shall be permitted, in their sole and absolute discretion, to change any aspect of the branding of, or to rebrand, the Azul Cargo Business; *provided* that, for clarity, the modified, replacement or successor branding shall be included in the fiduciary transfer (*alienação fiduciária*) in respect of the Azul Cargo Intellectual Property; and *provided*, further, that such change would not reasonably be expected to cause a Material Adverse Effect.

Maintenance of Rating

The Obligors shall cooperate with the Rating Agencies in obtaining a rating for the New Notes of each series from any two Rating Agencies and shall use commercially reasonable efforts to cause the New Notes of each series to be continuously rated by any two Rating Agencies but shall not be required to obtain any specific rating. The Obligors shall use commercially reasonable efforts to provide the relevant Rating Agencies (at their sole expense) such reports, records and documents as such Rating Agency shall reasonably request to monitor or affirm such ratings, except to the extent the disclosure of any such document or any such discussion would result in the violation of any contractual or legal obligation of an Obligor; *provided* that the failure by any Obligor to obtain such a rating after using commercially reasonable efforts shall not constitute an Event of Default.

Limitation on Certain Investments

None of the Issuer, the IP Parties and IntelAzul shall, directly or indirectly, make any Investment other than any Investment specified, with respect to Investments made by the Issuer, clauses (1) through (7) of the definition of "Permitted Investment" and, with respect to Investments made by IntelAzul and the IP Parties, clauses (1) through (6) of the definition of "Permitted Investment."

The Parent Guarantor shall not, and shall not permit any of its Subsidiaries to, make any Investment to create or acquire, or in furtherance or support of, or own or operate, any Loyalty Program (for the avoidance of doubt, other than the TudoAzul Program) or Travel Package Business (for the avoidance of doubt, other than the Azul Viagens Business) other than a Permitted Acquisition Loyalty Program or Permitted Travel Package Business, in each case, in compliance with the terms of the New Notes Indenture.

Incurrence of Indebtedness

The Issuer, IntelAzul, Azul Viagens and the IP Parties shall not, after the Closing Date, directly or indirectly incur any Indebtedness other than the following:

(a) Permitted First Priority Secured Debt that (i) is not secured by assets other than the Collateral (except in the case of Non-Shared Collateral to the extent expressly permitted by the New Notes Indenture), and (ii) does not benefit from any guarantee by any Person that does not also guarantee the New Notes;

(b) Permitted Additional New Notes;

(c) (1) Pre-paid Points Purchases (other than any Blocked Pre-paid Points Purchase), so long as (i) the aggregate amount of Points purchased or other Indebtedness incurred in connection with such Pre-paid Points Purchases (other than Blocked Pre-paid Points Purchases) does not exceed the Permitted Pre-paid Points Basket Amount, (ii) the proceeds of such Pre-paid Points Purchases (other than a Blocked Pre-paid Points Purchase) are paid directly to the Collection Account (iii) such sale is non-refundable and non-recourse to the IP Parties, and (iv) the Indebtedness related thereto (if any) is unsecured or secured by assets of the Parent Guarantor or its Subsidiaries (other than the IP Parties) that do not constitute Shared Collateral; and (2) any Blocked Pre-paid Points Purchase;

(d) Indebtedness arising from customary indemnification or other similar obligations under the Transaction Documents and the other agreements entered into on the Closing Date in connection therewith (or permitted replacements or amendments thereto);

(e) Additional Indebtedness incurred by IntelAzul or Azul Viagens (including in the case of Azul Viagens, any Indebtedness of a Subsidiary of Azul Viagens, whether incurred or existing at the time such Subsidiary is acquired) in the ordinary course of business in an aggregate principal amount, when taken together with any other Indebtedness of Azul Viagens (excluding Secured Debt) outstanding at the time of such incurrence, not to exceed US$8.0 million (or the equivalent thereof in other currencies at the time of determination) (calculated on a consolidated basis in accordance with IFRS);

(f) Indebtedness owed by Azul Viagens to any Obligor that is subordinated to the Secured Obligations on the terms described under "New Notes Guarantees"; and

(g) Indebtedness in respect of New Notes issued on the Final Settlement Date if the Existing Notes Issuer elects to have an Early Settlement Date in respect of a series of New Notes in accordance with the terms of the Exchange Offers described elsewhere in this Offering Memorandum.

Notwithstanding any other provision of the Transaction Documents, Indebtedness incurred pursuant to the provision described above can be denominated in, and be payable in, any currency.

Concurrently with or no earlier than 30 days prior to the incurrence of any Permitted First Priority Secured Debt after the Closing Date, the Parent Guarantor shall deliver to the Trustee an Appraisal as of a date no earlier than six months prior to the date that such Permitted First Priority Secured Debt is incurred by the Issuer or the relevant Guarantor. The aggregate value of the TudoAzul Program, the Azul Viagens Business and the Airline Intellectual Property determined in such Appraisal will be used to test the LTV Ratio (calculated as to First Priority Secured Debt only) in connection with the incurrence of such Permitted First Priority Secured Debt, provided that the LTV Ratio does not include the Azul Cargo Business and, for the purposes of the LTV Ratio, the value of the Airline Intellectual Property shall be calculated to exclude the value of the Azul Cargo Intellectual Property.

For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness incurred pursuant to and in compliance with this covenant (including the definitions of Permitted First Priority Secured Debt and Permitted Additional New Notes): (i) the outstanding principal amount of any item of Indebtedness (including any guarantees of Indebtedness) will be counted only once; and (ii) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with IFRS.

Notwithstanding any other provision of this covenant, no Obligor shall, with respect to any outstanding Indebtedness incurred, be deemed to be in violation of this covenant solely as a result of fluctuations in the exchange rates.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness (including the definitions of Permitted First Priority Secured Debt and Permitted Additional New Notes), the U.S. dollar-equivalent principal amount of Indebtedness denominated in a non-U.S. currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred or, in the case of revolving credit Indebtedness, first committed; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a non-U.S. currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, will be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Blocked Pre-paid Points Purchase

If the Parent Guarantor or any of its Subsidiaries enters into any Pre-paid Points Purchase in compliance with the provisions of the paragraph below, then (i) such Pre-paid Points Purchase shall be deemed to be a "Blocked Pre-paid Points Purchase," and (ii) the Net Proceeds of such Blocked Pre-paid Points Purchase shall not constitute a Mandatory Prepayment Event and, therefore, the Issuer shall not be required to comply with the provisions

described under "Mandatory Prepayments; No Sinking Fund" in respect of the Net Proceeds of such Blocked Pre-paid Points Purchase.

In order for a Pre-paid Points Purchase to constitute a Blocked Pre-paid Points Purchase, (i) the Net Proceeds of such Pre-paid Points Purchase (less any Permitted Basket Net Proceeds) shall be paid directly by the payor into the BRL Blocked Account (a "Blocked Pre-paid Amount"), and (ii) within five Business Days following the payment of such Net Proceeds into the BRL Blocked Account, Azul Linhas shall deliver to the Trustee and each Collateral Agent an Officer's Certificate (a "Price-per-Point Certificate") certifying the price (in Brazilian *reais*) per Point (a "Pre-paid Point") paid by the relevant counterparty under the relevant TudoAzul Agreement in connection with such Blocked Pre-paid Points Purchase (the "Price-per-Point"). The counterparty shall disclaim in writing any rights to the Blocked Account and the funds contained therein, and Azul Linhas shall so certify in the Price-per-Point Officer's Certificate. Notwithstanding the foregoing, the Parent Guarantor and its Subsidiaries shall be permitted to designate (in the relevant Price-per-Point Certificate) a portion of any Net Proceeds of a Blocked Pre-paid Points Purchase as "Permitted Basket Net Proceeds" if the Permitted Pre-paid Points Basket Amount would not be exceeded calculated as of the date of such Price-per-Point Certificate after taking into account all previous Pre-Paid Points Purchases in the relevant period. The Parent Guarantor or any of its Subsidiaries shall procure that any Permitted Basket Net Proceeds so designated are paid directly by the payor into the TudoAzul Receivables Collection Account and such Permitted Basket Net Proceeds shall constitute Pre-paid Points Purchases (and not Blocked Pre-paid Points Purchases).

The terms of the relevant Fiduciary Assignment and the related Account Control Agreement in respect of the BRL Blocked Account will require that any Blocked Pre-paid Amount shall remain on deposit in the BRL Blocked Account until the Brazilian Collateral Agent receives, on one or more occasions, a Points Allocation Officer's Certificate. Within one Business Day following receipt of a Points Allocation Officer's Certificate, the Brazilian Collateral Agent shall instruct the Account Bank to cause that the relevant Points Allocation Release Amount is transferred from the BRL Blocked Account to the TudoAzul Receivables Deposit Account. For the avoidance of doubt, Azul Linhas shall be permitted to deliver more than one Points Allocation Officer's Certificate in respect of any Blocked Pre-paid Amount.

As used above, a "Points Allocation Officer's Certificate" means any Officer's Certificate of Azul Linhas delivered to the Trustee and each Collateral Agent (i) certifying that the relevant counterparty under the relevant TudoAzul Agreement in connection with a Blocked Pre-paid Points Purchase has allocated a specified number of Pre-paid Points to its underlying customers and attaching documents, such as an control spreadsheet with Personal Data removed, evidencing such allocation (the "Allocated Points"), (ii) certifying the Price-per-Point in respect of such Pre-paid Points, and (iii) instructing the Brazilian Collateral Agreement to instruct the Account Bank to cause that an amount in Brazilian *reais* on deposit in the BRL Blocked Account equal the number of Allocated Points multiplied by the Price-per-Point (together with the pro rata share of any investment income in the BRL Blocked Account in respect of such amount) (the "Points Allocation Release Amount") be transferred from the BRL Blocked Account to the TudoAzul Receivables Deposit Account.

For reasons of commercial confidentiality, the Holders shall not be entitled to request a copy of any Price-per-Point Certificate or any Points Allocation Officer's Certificate or any numerical calculations set forth therein.

The terms of the relevant Fiduciary Assignment and the related Account Control Agreement in respect of the BRL Blocked Account will permit the Account Bank shall, at the direction of Azul Linhas, to direct the Brazilian Collateral agent to invest any balance in the BRL Blocked Account in Cash Equivalents.

Limitation on Restricted Payments

(a) The Parent Guarantor will not, and will not permit any of its Subsidiaries to, directly or indirectly, take any of the following actions:

(1) declare or pay any dividend or make any distribution on the Capital Stock of the Parent Guarantor or any of its Subsidiaries to holders of such Capital Stock, other than:

(i) dividends or distributions payable in Qualified Capital Stock of the Parent Guarantor or any of its Subsidiaries;

(ii) dividends or distributions payable to the Parent Guarantor or any of its Subsidiaries; or

(iii) dividends or distributions made on a *pro rata* basis to the Parent Guarantor or any of its Subsidiaries, on the one hand, and minority holders of Capital Stock of a direct or indirect Subsidiary of the Parent Guarantor, on the other hand (or on a less than *pro rata* basis to any minority holder);

(2) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Parent Guarantor;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value (collectively for purposes of this clause (3), a "purchase") any Subordinated Indebtedness of any Obligor (excluding any intercompany Indebtedness between or among the Parent Guarantor and any of its Subsidiaries), except any scheduled payment of interest and any purchase within one year of the scheduled maturity thereof; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in clauses (1) to (4) above being collectively referred to as "Restricted Payments"),

unless, at the time of the Restricted Payment and after giving *pro forma* effect to such Restricted Payment:

(i) no Default or Event of Default has occurred and is continuing as of such time;

(ii) the Parent Guarantor could incur at least US$1.00 of Indebtedness under the First Priority Secured Ratio Amount test set forth in the definition of Permitted First Priority Secured Debt;

(iii) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Parent Guarantor and its Subsidiaries since the Closing Date (excluding Restricted Payments permitted by clauses (2) through (12) of paragraph (b) below), is less than the sum, without duplication, of:

(a) (x) 50% of the Consolidated Net Income of the Parent Guarantor for the period from July 1, 2023 to the last day of the Parent Guarantor's most recently completed fiscal quarter for which financial statements have been provided pursuant to the terms of the New Notes Indenture (or, if such Consolidated Net Income for such period is a loss, less 100% of such loss) accrued on a cumulative basis during the period, taken as one accounting period, less (y) Permitted Brazilian Dividends paid since the Closing Date; plus

(b) 100% of the aggregate net cash proceeds and the Fair Market Value of non-cash consideration received by the Parent Guarantor after the Closing Date as a contribution to its equity capital or from the issue or sale of Qualifying Capital Stock (other than Qualifying Capital Stock sold to a Subsidiary of the Parent Guarantor); plus

(c) 100% of the aggregate net cash proceeds and the Fair Market Value of non-cash consideration received by the Parent Guarantor or any of its Subsidiaries from the issue or sale of convertible or exchangeable Disqualified Capital Stock of the Parent Guarantor or any of its Subsidiaries or convertible or exchangeable debt securities of the Parent Guarantor or any of its Subsidiaries (regardless of when issued or sold), or in connection with the conversion or exchange thereof, in each case that have been converted into or exchanged since the Closing Date for Qualifying Capital Stock (other than Qualifying Capital Stock Interests and convertible or exchangeable Disqualified Capital Stock or debt securities sold to a Subsidiary of the Parent Guarantor); plus

(d) to the extent that any Restricted Investment that was made after the Closing Date pursuant to this paragraph (a) is sold (other than to the Parent Guarantor or any of its Subsidiaries) or otherwise cancelled, liquidated or repaid for cash, the amount of cash received by the Parent Guarantor or any of its Subsidiaries in respect of such sale, liquidation or disposition or the Fair Market Value of property received by the Parent Guarantor or any of its Subsidiaries in respect of such sale, liquidation or disposition (in each case, less the cost of disposition, liquidation or repayment, if any, paid or to be paid by the Parent Guarantor or any of its Subsidiaries); plus

(e) to the extent that any Restricted Investment that was made after the Closing Date pursuant to this paragraph (a) is made in a Person that subsequently becomes a Subsidiary of the Parent Guarantor, the amount of the Restricted Investments that was made in such Person by the Parent Guarantor or any of its Subsidiaries; plus

(f) the amount of cash received by the Parent Guarantor or any of its Subsidiaries as repayment of loans which constituted Restricted Investments made by the Parent Guarantor or any of its Subsidiaries after the Closing Date pursuant to this paragraph (a) or the value of guarantees granted after the Closing Date by the Parent Guarantor or any of its Subsidiaries which constituted Restricted Investments pursuant to this paragraph (a) that have been released in full.

(b) Notwithstanding anything to the contrary in clause (a) above, the provisions of clause (a) above shall not prohibit (and the Parent Guarantor and its Subsidiaries shall be permitted, directly or indirectly, to undertake) any or all of the following:

(1) the declaration and payment of the minimum mandatory dividend (*dividendo mínimo obrigatório*) established, where applicable, in the by-laws of the Parent Guarantor or any of its Subsidiaries in effect on the date of this Offering Memorandum, in accordance with the first part (*caput*) of article 202 of the Brazilian Federal Law No. 6404/76, including any interest on equity (*juros sobre o capital próprio*) paid for purposes of the minimum mandatory dividend (and deducted from the minimum mandatory dividend), provided that the Board of Directors of the Parent Guarantor or such Subsidiary have not determined that any such payment of mandatory dividends would be inadvisable given the financial condition of the Parent Guarantor or such Subsidiary (the "Permitted Brazilian Dividends");

(2) the payment of any dividend or distribution within 60 days after the date of declaration thereof, or at the date established in the shareholders' meeting approving the declaration thereof, if, at the date of declaration, such payment would have complied with the provisions of the New Notes Indenture;

(3) the acquisition of any shares of Capital Stock of the Parent Guarantor in exchange for Qualified Capital Stock of the Parent Guarantor;

(4) the making of any Restricted Payment in exchange for, or out of, or with the net cash proceeds of, the substantially concurrent sale (other than to a Subsidiary of the Parent Guarantor) of, Qualifying Capital Stock of the Parent Guarantor, or from the substantially concurrent contribution (other than from a Subsidiary of the Parent Guarantor) to the equity capital of the Parent Guarantor; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will not be considered net cash proceeds of Qualifying Capital Stock for the purposes of clause (a)(iii)(c) above;

(5) the purchase, repurchase, redemption, prepayment, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness in exchange for, or through the application of net cash proceeds of, a substantially concurrent sale (other than to a Subsidiary of the Parent Guarantor), of Qualified Capital Stock of the Parent Guarantor, a substantially concurrent contribution to the equity capital of the Parent Guarantor, or the incurrence of Permitted Refinancing Subordinated Indebtedness in respect of such Subordinated Indebtedness; provided however that any such Subordinated Indebtedness shall have a maturity date occurring after each maturity date under the New Notes;

(6) the repurchase, redemption, acquisition or retirement for value of any Capital Stock of the Parent Guarantor or any of its Subsidiaries held by any current or former officer, director, member, consultant or employee (or their estates or beneficiaries of their estates) of the Parent Guarantor or any of its Subsidiaries pursuant to any management equity plan or equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement, arrangement or plan; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock may not exceed US$25.0 million (or the equivalent thereof in other currencies at the time of determination) in any twelve-month period; provided that the Parent Guarantor or any of its Subsidiaries may carry over and make in subsequent twelve-month periods, in addition to the amounts permitted for such twelve-month period, up to US$15.0 million (or the equivalent thereof in other currencies at the time of determination) of unutilized capacity under this clause (6) attributable to the immediately preceding twelve-month period;

(7) repurchases of Capital Stock or other Restricted Payments deemed to occur upon (i) the exercise of stock options, warrants or other securities convertible or exchangeable into Capital Stock or any other securities, to the extent such Capital Stock represents all or a portion of the exercise price thereof, or (ii) the withholding of a portion of Capital Stock issued to current or former officer, director, member, consultant or employee (or their estates or beneficiaries of their estates) under any management equity plan or equity subscription agreement, stock option agreement, shareholders' agreement or similar agreement, arrangement or plan of the Parent Guarantor or its Subsidiaries to cover withholding tax obligations of such persons in respect of such issuance;

(8) payments of cash, dividends, distributions, advances, Capital Stock or other Restricted Payments by the Parent Guarantor or any of its Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise, conversion or exchange (as applicable) of stock options, warrants or securities or exchangeable into Capital Stock of the Parent Guarantor;

(9) Restricted Payments in respect of any restricted stock units or other instruments or rights whose value is based in whole or in part on the value of any Capital Stock of the Parent Guarantor or any of its Subsidiaries issued to any current or former officer, director, member, consultant or employee of the Parent Guarantor or any of its Subsidiaries;

(10) so long as no Default or Event of Default has occurred and is continuing or would exist after giving *pro forma* effect thereto, the declaration and payment of regularly scheduled or accrued dividends, distributions or payments to holders of any class or series of Disqualified Capital Stock or Subordinated Indebtedness or any preferred stock of any Subsidiary of the Parent Guarantor, required to be paid pursuant to the terms thereof, either outstanding on the Closing Date or issued on or after the Closing Date in compliance with the terms of the New Notes Indenture;

(11) in the event of a Parent Change of Control, and if no Default or Event of Default has occurred and is continuing, including after giving effect thereto, the payment, purchase, redemption, defeasance or other acquisition or retirement of any Subordinated Indebtedness, in each case, at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus any accrued and unpaid interest thereon; and

(12) so long as no Default or Event of Default has occurred and is continuing or would exist after giving *pro forma* effect thereto, Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (12) after the Closing Date, does not exceed the greater of (i) US$200.0 million (or the equivalent thereof in other currencies at the time of determination) and (ii) 5.00% of Consolidated Total Assets as of the date of such Restricted Payment.

Notwithstanding the foregoing, none of the Parent Guarantor nor its Subsidiaries shall make any Restricted Payment or Permitted Investment of any Collateral

In the case of any Restricted Payment that is not in cash, the amount of such non-cash Restricted Payment will be the Fair Market Value on the date of such Restricted Payment of the property, assets or securities proposed to be paid, transferred or issued by the Parent Guarantor or the relevant Subsidiary of the Parent Guarantor, as the case may be, pursuant to such Restricted Payment.

For purposes of determining compliance with this covenant, if a proposed Restricted Payment (or portion thereof) meets the criteria of more than one of the categories of Restricted Payments described in clauses (1) through (12) above of paragraph (b), or is entitled to be made pursuant to paragraph (a), the Parent Guarantor and its Subsidiaries will be entitled to classify on the date of its payment or later reclassify such Restricted Payment (or portion thereof) in any manner that complies with this covenant.

The payment on or with respect to, and the purchase, prepayment, redemption, defeasance or other acquisition or retirement for value of any Indebtedness of the Parent Guarantor or any of its Subsidiaries that is not Subordinated Indebtedness shall not constitute a Restricted Payment and therefore will not be subject to any of the restrictions described in this section headed "Limitation on Restricted Payments."

As used in this section headed "Limitation on Restricted Payments," in respect of any of the Subsidiaries of the Parent Guarantor that is a partnership, a limited liability partnership, a limited liability company or similar form, dividends shall be deemed to refer to any distribution similar to a dividend.

Subject to compliance with applicable law, the Parent Guarantor agrees not to propose to its shareholders that the by-laws of the Parent Guarantor be amended to increase the minimum mandatory dividend (*dividendo mínimo obrigatório*) above the minimum mandatory dividend (*dividendo mínimo obrigatório*) in the by-laws of the Parent Guarantor in effect on the Closing Date.

Limitation on Liens

The Parent Guarantor will not, and will not permit any of its Subsidiaries to, directly or indirectly create, incur, assume or suffer to exist any Lien of any kind on (i) any property or asset that constitutes Shared Collateral, (ii) any property or asset of IntelAzul or (iii) any property or asset of Azul Viagens that is of a the type that constitutes Shared Collateral (including any agreement or contract right but excluding stock of a subsidiary of Azul Viagens), except Permitted Collateral Liens.

The Parent Guarantor will not, and will not permit any of its Subsidiaries to, directly or indirectly create, incur, assume or suffer to exist any Lien of any kind on any property or asset that constitutes Azul Cargo Collateral, except Permitted Azul Cargo Collateral Liens.

No IP Party will directly or indirectly create, incur, assume or suffer to exist any Lien of any kind on any of its property or assets other than Permitted Collateral Liens.

Limitation on Transactions with Affiliates

The Parent Guarantor shall not, and shall not permit any of its Subsidiaries, to enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property, employee compensation arrangements or the rendering of any service), involving aggregate consideration in excess of US$ 10.0 million, with, or for the benefit of, any Affiliate of the Parent Guarantor or any of its Subsidiaries, other than the Parent Guarantor or any of its Subsidiaries (an "Affiliate Transaction") unless (i) the terms of the Affiliate Transaction are no less favorable to the Parent Guarantors or any of its Subsidiaries than those that could be obtained at the time of the Affiliate Transaction in arm's length dealings with a person who is not an Affiliate, or (ii) the Affiliate Transaction is in existence as of the Closing Date.

The following transactions will be deemed to not be Affiliate Transactions, and therefore will not be subject to the provisions of this covenant: (i) the issuance of Qualifying Capital Stock to Affiliates of the Parent Guarantor or any of its Subsidiaries, (ii) any purchase by an Affiliate of the Parent Guarantor or any of its Subsidiaries of Indebtedness or Disqualified Capital Stock, the majority of which is offered to Persons who are not Affiliates of the Parent Guarantor or any of its Subsidiaries, (iii) any transaction effected as part of a Qualified Receivables Transaction, (iv) any employment agreement, confidentiality agreement, non-competition agreement, incentive plan, employee stock option agreement, long-term incentive plan, profit sharing plan, employee benefit plan, indemnification agreement, union agreement, collective bargaining agreement or any similar arrangement entered into with or for the benefit of any employee, officer, director or consultant by the Parent Guarantor or any of its Subsidiaries in the ordinary course of business and payments pursuant thereto, and (v) transactions with customers, clients, suppliers or purchasers or sellers of goods or services in the ordinary course of business or transactions with joint ventures, alliances or alliance members entered into in the ordinary course of business.

Restrictions on Disposition of Shared Collateral and Assets

The Parent Guarantor shall not, directly or indirectly sell or otherwise Dispose of, or permit any of its Subsidiaries to sell or otherwise Dispose of, any Shared Collateral (including by way of any Sale of a Grantor), except for a Permitted Shared Collateral Disposition. No IP Party or IntelAzul shall sell or otherwise Dispose of any of its property or assets (including the Shared Collateral, and including by way of any Sale of a Grantor), except for a Permitted Shared Collateral Disposition. Azul Viagens shall not sell or otherwise Dispose of any property or asset of Azul Viagens that is of a the type that constitutes Shared Collateral (including any agreement or contract right but excluding stock of a subsidiary of Azul Viagens), except for a Permitted Shared Collateral Disposition.

The Parent Guarantor shall not, directly or indirectly sell or otherwise Dispose of, or permit any of its Subsidiaries to sell or otherwise Dispose of, any Azul Cargo Collateral (including by way of any Sale of a Grantor), except for a Permitted Azul Cargo Collateral Disposition.

Restrictions on Business Activities

The Parent Guarantor will not, and will not permit any of its Subsidiaries (other than the IP Parties) to, engage in any business other than the Permitted Airline Business, except to such extent as would not reasonably be expected to have a Material Adverse Effect on the Parent Guarantor and its Subsidiaries (other than the IP Parties) taken as a whole.

The IP Parties will not engage in any business other than the Permitted IP Party Business.

Other than as required or permitted by the Transaction Documents, the IP Parties have not and shall not:

(a) engage in any business or activity other than (i) the purchase, receipt, management and sale of Shared Collateral; *provided* that in no event shall any IP Party purchase, receive, manage or sell real property, (ii) the transfer and pledge of Shared Collateral pursuant to the terms of the Collateral Documents and the First Priority Secured Debt Documents and the New Notes Documents, (iii) the entry into and the performance under the Transaction Documents to which it is a party and (iv) such other activities as are incidental thereto;

(b) acquire or own any material assets other than (i) the Shared Collateral; *provided* that in no event shall any IP Party acquire or own real property, or (ii) incidental property as may be necessary or desirable for the operation of any IP Party and the performance of its obligations under the Transaction Documents to which it is a party and the First Priority Secured Debt Documents and the New Notes Documents;

(c) (i) merge into or consolidate with any Person or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets, or (ii) change its legal structure, or jurisdiction of incorporation, unless, in connection with any of the foregoing, such action shall result in the substantially contemporaneous occurrence of the discharge of the Secured Obligations;

(d) except as otherwise permitted under clause (c) above, fail to preserve its existence as an entity duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation;

(e) form, acquire or own any Subsidiary (other than another IP Party that is a wholly-owned Subsidiary of such IP Party), own any Equity Interests in any other entity, or make any Investment in any Person other than to the extent permitted in its memorandum and articles;

(f) except as contemplated in the New Notes Documents, commingle its assets with the assets of any of its Affiliates, or of any other Person;

(g) incur any Indebtedness other than (i) First Priority Secured Debt, (ii) New Notes Secured Debt and (iii) ordinary course contingent obligations under or any terms thereof any Transaction Documents (such as customary indemnities to fronting banks, administrative agents, collateral agents, depository banks, escrow agents, etc.);

(h) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due in the ordinary course of business;

(i) fail to maintain its records, books of account and bank accounts separate and apart from those of any other Person;

(j) enter into any contract or agreement with any Person, except (i) the Transaction Documents and the First Priority Secured Debt Documents and the New Notes Documents to which it is a party, (ii) organizational documents and (iii) other contracts or agreements that (x) are upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties other than such Person and (y) contain non-recourse and non-petition covenants with respect to the any IP Party consistent with the provisions set forth in the New Notes Indenture;

(k) seek its dissolution or winding up in whole or in part;

(l) fail to use commercially reasonable efforts to correct promptly any material known misunderstandings regarding the separate identities of any IP Party, on the one hand, and any Affiliate thereof or any other Person, on the other hand;

(m) except pursuant to the Transaction Documents, the First Priority Secured Debt Documents and the New Notes Documents, guarantee, become obligated for, or hold itself out to be responsible for the Indebtedness of another Person;

(n) fail, in any material respect, either to hold itself out to the public as a legal entity separate and distinct from any other Person or to conduct its business, solely in its own name in order not (i) to mislead others as to the identity of the Person with which such other party is transacting business, or (ii) to suggest that it is responsible for the Indebtedness of any third party (including any of its principals or Affiliates (other than as contemplated or required pursuant to the Transaction Documents));

(o) fail, to the extent of its own funds (taking into account the requirements in the Transaction Documents), to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its business operations as contemplated by the Transaction Documents;

(p) except as may be required or permitted by applicable Tax law, hold itself out as or be considered as a department or division of (i) any of its principals or Affiliates, (ii) any Affiliate of a principal or (iii) any other Person;

(q) fail to maintain adequate books and records; *provided* that the IP Parties' assets may be included in a consolidated financial statement of its Affiliates so long as appropriate notation shall be made on such consolidated financial statements to indicate the separateness of the IP Parties from such Person and to indicate that the IP Parties' assets and credit are not available to satisfy the Indebtedness and other obligations of such Person or any other Person except for Indebtedness incurred and other obligations pursuant to the Transaction Documents, the First Priority Secured Debt Documents and the New Notes Documents;

(r) fail to pay its own separate liabilities and expenses only out of its own funds;

(s) maintain, hire or employ any individuals as employees;

(t) acquire the obligations or securities issued by its Affiliates or members (other than any Equity Interests of another IP Party that is a wholly-owned Subsidiary of such IP Party);

(u) fail to allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including paying for office space and services performed by any employee of an Affiliate;

(v) pledge its assets to secure the obligations of any other Person other than pursuant to the Transaction Documents, the First Priority Secured Debt Documents and the New Notes Documents;

(w) fail to have such Independent Directors as are required under "Certain Covenants—Independent Directors of the IP Parties";

(x) (i) institute proceedings to be adjudicated bankrupt or insolvent, (ii) institute or consent to the institution of bankruptcy or insolvency proceedings against it, (iii) file a petition seeking or consent to reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, (iv) seek or consent to the appointment of a receiver, liquidator, provisional liquidator, assignee, trustee, sequestrator, collateral agent or any similar official for any IP Party, (v) make any general assignment for the benefit of any IP Party's creditors, (vi) admit in writing its inability to pay its debts generally as they become due, or (vii) take any corporate action to approve any of the foregoing; or

(y) fail to file its own Tax returns separate from those of any other Person (to the extent any such Tax returns are required to be filed required under applicable law).

Independent Directors of the IP Parties

No IP Party shall fail for seven consecutive Business Days to have at least one Independent Director. Pursuant to the New Notes Indenture and the Specified Organizational Document of the relevant IP Party, (a) no IP Party shall be permitted to vote upon, or hold any vote on, any "material action" (as defined in the Specified Organizational Document of such IP Party) unless such IP Party has one Independent Director at such time and such Independent Director is present for such vote (where applicable) or has consented to the action which is the subject-matter of such vote and (b) any "material action" (as defined in the Specified Organizational Document of such IP Party) shall require the affirmative vote of such Independent Director for such IP Party.

Financial Statements and Other Reports

From and after the Closing Date, Azul shall furnish to the Trustee:

(1) an English language version of the Parent Guarantor's annual audited consolidated financial statements prepared in accordance with IFRS promptly upon such financial statements becoming available but not later than 120 days after the close of its fiscal year;

(2) an English language version of the Parent Guarantor's unaudited interim condensed consolidated financial statements prepared in accordance with IFRS promptly upon such statements becoming available but not later than 60 days after the close of each fiscal quarter (other than the last fiscal quarter of its fiscal year);

(3) without duplication, English language versions or summaries of such other reports or notices as may be filed or submitted by (and promptly after filing or submission by) the Guarantors with (a) the CVM or (b) the SEC (in each case, to the extent that any such report or notice is generally available to security holders of the Parent Guarantor or the public in Brazil or elsewhere and, in the case of clause (b), is filed or submitted pursuant to Rule 12g3-2(b) under, or Section 13 or 15(d) of, the Exchange Act, or otherwise);

(4) within 90 days after the end of the fiscal year, a certificate of a Responsible Officer of the Parent Guarantor certifying that, to the knowledge of such Responsible Officer, no Event of Default has occurred and is continuing, or, if, to the knowledge of such Responsible Officer, such Event of Default has occurred and is continuing, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto;

(5) within 120 days after the end of the Parent Guarantor's fiscal year, deliver to the Trustee (i) an Appraisal as of a date no earlier than six months prior to the date that such Appraisal is delivered to the Trustee (an "Annual Appraisal"), and (ii) a certificate certifying the LTV Ratio (calculated as to First Priority Secured Debt only) calculated by reference to such Annual Appraisal.

(6) no later than 30 days after the end of each Quarterly Reporting Period, a certificate of a Responsible Officer of the Parent Guarantor, certifying whether or not (i) the TudoAzul Receivables Coverage Covenant and the Azul Viagens Receivables Coverage Covenant has been satisfied as of the end of such Quarterly Reporting Period (which certificate shall attach a calculation demonstrating such compliance, which certificate shall not be required to name individual transactions or agreements and shall be confidential and Holders shall have no right to request access thereto), (ii) the Obligors are in compliance with deposit requirements under the Transaction Documents with respect to the TudoAzul Agreements and the Azul Viagens Agreements, and (iii) the Debt Service Coverage Ratio for such Quarterly Reporting Period was greater than the Debt Service Coverage Ratio levels required for the incurrence of Permitted First Priority Secured Debt, which certification shall include a calculation of the Debt Service Coverage Ratio, including a certification of the amount of the cost of goods sold and commissions applicable to the Azul Viagens business used to calculate the Debt Service Coverage Ratio (which certificate shall be confidential and Holders shall have no right to request access thereto);

(7) following implementation of the Lockbox Structure, on each (a) Allocation Date, an Allocation Date Statement and (b) no later than ten Business Days following the start of each Quarterly Reporting Period, a Quarterly Freeflow Threshold Statement, in each case to the Trustee and the U.S. Collateral Agent and the Brazilian Collateral Agent. The Trustee may, prior to the related Distribution Date, provide notice to the Issuer and the U.S. Collateral Agent and the Brazilian Collateral Agent of any information contained in the Allocation Date Statement that the Trustee believes to be incorrect. If the Trustee provides such a notice, the Issuer shall use its reasonable

efforts to resolve the discrepancy and provide an updated Allocation Date Statement on or prior to the related Distribution Date. If the discrepancy is not resolved and a replacement Allocation Date Statement is not received by the Trustee prior to the payment of Available Funds on the related Distribution Date pursuant to the first paragraph of "—Payment Waterfalls," and it is later determined that the information identified by the Trustee as incorrect was in fact incorrect and such error resulted in a party receiving a smaller distribution on the Distribution Date than they would have received had there not been such an error, then the Issuer shall indemnify such party for such shortfall. For the avoidance of doubt and, notwithstanding anything to the contrary in the New Notes Indenture or in any Collateral Document, the Trustee shall have no obligation to inquire into, investigate, verify or perform any calculations in connection with an Allocation Date Statement or notice from the Trustee in respect of the same; it being understood and agreed that the Trustee shall be entitled to conclusively rely, and shall not be liable for so relying, on the Allocation Date Statement last received by it on or prior to each Distribution Date and the Trustee shall have no obligation, responsibility or liability in connection with any indemnification payment of the Issuer pursuant to the immediately preceding sentence; and

(8) as soon as possible, and in any event within 15 Business Days after the Chief Financial Officer or the Treasurer of Azul becoming aware of the occurrence of a Default or an Event of Default that is continuing, an Officer's Certificate specifying such Default or Event of Default and what action the Parent Guarantor and its subsidiaries are taking or propose to take with respect thereto.

In no event shall the Trustee be entitled to inspect, receive and make copies of materials (except in connection with any enforcement or exercise of remedies in the case of clause (i)) (i) that constitute non-registered Intellectual Property, TudoAzul Customer Data or non-financial proprietary information, (ii) in respect of which disclosure to the Trustee, the U.S. Collateral Agent or any Holder (or their respective representatives or contractors) is prohibited by law or any binding agreement (or would otherwise cause a breach or default thereunder) or (iii) that are subject to attorney client or similar privilege or constitute attorney work product.

The requirement for the Parent Guarantor to deliver to the Trustee the information or reports referred to in clauses (1) through (3) above shall be deemed satisfied if such information or report has been filed with the SEC through the Electronic Data Gathering Analysis and Retrieval (EDGAR) system (or any successor method of filing) or if such information or report is made available on the Parent Guarantor's website (and the Parent Guarantor shall provide the relevant URL to the Trustee upon request).

The requirement for the Parent Guarantor to deliver to the Trustee the information, reports or certificates referred to in clauses (4) through (8) above shall be deemed satisfied if, at its option, the Parent Guarantor (i) files such information, reports or certificates with the SEC through the Electronic Data Gathering Analysis and Retrieval (EDGAR) system (or any successor method of filing) or if such information report is made available on the Parent Guarantor's website (and the Parent Guarantor shall provide the relevant URL to the Trustee upon request), and (ii) provides written notice to the Trustee that such information, reports or certificates have been so filed or made available.

In addition, any information required to be delivered pursuant to the New Notes Indenture to the Trustee pursuant to clauses (1) through (8) above may, at the option of the Parent Guarantor, be made available by the Trustee to the Holders by posting such information on the Parent Guarantor's website at a website address to be notified to the Holders from time to time.

The Trustee shall have no responsibility to determine if and when any information, reports or certificates have been made available online. Delivery of reports, information, appraisals and documents to the Trustee is for informational purposes only and its receipt of such reports, information, appraisals and documents shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including compliance by the Issuer, Guarantor or any other Person with any of its covenants under the New Notes Indenture or the New Notes (as to which the Trustee is entitled to rely exclusively on Officer's Certificates). The Trustee shall have no liability or responsibility for the content, filing or timeliness of any report, appraisal or other information delivered, filed or posted under or in connection with the New Notes Indenture, the other Transaction Documents or the transactions contemplated thereunder. The Trustee has no duty to monitor or confirm, on a continuing basis or otherwise, our compliance with the covenants or with respect to matters disclosed in any reports or other documents filed with the SEC or EDGAR or any website under the New Notes Indenture.

Substitution of the Issuer

(1) Notwithstanding any other provision contained in the New Notes Indenture or the other New Notes Documents, the Issuer may, without the consent of the Holders (and by purchasing or subscribing for any New Notes, each holder of the New Notes of the relevant series expressly consents to it), be replaced and substituted by (i) the Parent Guarantor or (ii) any wholly-owned Subsidiary of the Parent Guarantor that is an entity organized or existing under the laws of Brazil, the United States, the Cayman Islands, or any other country (or political subdivision thereof) that is a member country of the European Union or of the Organization for Economic Co-operation and Development on the Closing Date as principal debtor (in such capacity, the "Substituted Issuer") in respect of the New Notes; *provided* that:

(i) such documents shall be executed by the Substituted Issuer, the Issuer, the Parent Guarantor and the Trustee as may be necessary to give full effect to the substitution, including a supplemental indenture whereby the Substituted Issuer assumes all the Issuer's obligations under the New Notes Indenture (together, the "Issuer Substitution Documents"), and (without limiting the generality of the foregoing) pursuant to which the Substituted Issuer shall undertake in favor of each Holder, the Trustee and the Collateral Agents to be bound by the terms and conditions of the New Notes and the provisions of the New Notes Indenture as fully as if the Substituted Issuer had been named in the New Notes and the New Notes Indenture as the principal debtor in respect of the New Notes in place of the Issuer (or any previous substitute) and the covenants, Events of Default and other relevant provisions shall continue to apply to the Issuer in respect of the New Notes as if no such substitution had occurred, it being the intent that the rights of Holders in respect of the New Notes shall be unaffected by such substitution, subject to clause (ii) below;

(ii) without prejudice to the generality of the preceding paragraph, the Issuer Substitution Documents shall contain (x) a covenant by the Substituted Issuer and/or such other provisions as may be necessary to ensure that each Holder has the benefit of a covenant in terms corresponding to the obligation of the Issuer in respect of the payment of additional amounts set forth in "—Additional Amounts," with the substitution for the references to Brazil or United States, as applicable, of references to the territory in which the Substituted Issuer is incorporated, domiciled and/or resident for Taxation purposes; provided the Substituted Issuer is incorporated, domiciled or resident for Taxation purposes in a territory other than Brazil or the United States, as applicable, and (y) a covenant by the Substituted Issuer and the Issuer to indemnify and hold harmless the Trustee and the Collateral Agents and each Holder against all Taxes which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against the Trustee, any agent or such holder (or, where such holder is not the beneficial owner of the note, such beneficial owner) as a result of any substitution pursuant to the conditions set forth in this section and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, any and all Taxes which are imposed on any such Holder (or beneficial owner) by any political subdivision or taxing authority of any country in which such Holder (or beneficial owner) resides or is subject to any such Tax and which would not have been so imposed had such substitution not been made);

(iii) the Issuer shall have procured that each stock exchange which has the New Notes listed thereon shall have confirmed in writing that following the proposed substitution of the Substituted Issuer, the New Notes would continue to be listed on such stock exchange, or if such confirmation is not received or such continued listing is impracticable or unduly burdensome, the Issuer or the Parent Guarantor may de-list the New Notes from the Singapore Stock Exchange or other exchange on which the New Notes are listed; and, in the event of any such de-listing, the Issuer shall use commercially reasonable efforts to obtain an alternative admission to listing, trading and/or quotation of the New Notes by another listing authority, stock exchange or system as it may reasonably decide;

(iv) the Issuer shall have delivered, or procured the delivery, to the Trustee of a legal opinion addressed to the Issuer, the Substituted Issuer and the Trustee from a leading firm of lawyers in the country of incorporation of the Substituted Issuer, to the effect that the Issuer Substitution Documents constitute legal, valid and binding obligations of the Substituted Issuer and have been duly authorized, such

opinions to be dated as of the date the Issuer Substitution Documents are executed and to be available for inspection by Holders at the specified offices of the Trustee;

(v) the Issuer shall have delivered, or procured the delivery, to the Trustee of a legal opinion addressed to the Issuer, the Substituted Issuer and the Trustee from a leading firm of United States or Brazilian lawyers acting for the Issuer to the effect that the Issuer Substitution Documents have been duly authorized, executed and delivered by the Issuer and that they constitute legal, valid and binding obligations of the Issuer, such opinion to be dated as of the date the Issuer Substitution Documents are executed and to be available for inspection by Holders at the specified offices of the Trustee;

(vi) the Issuer shall have delivered, or procured the delivery, to the Trustee of a legal opinion addressed to the Issuer, the Substituted Issuer and the Trustee from a leading firm of New York lawyers to the effect that the Issuer Substitution Documents constitute legal, valid and binding obligations of the parties thereto under New York law, such opinion to be dated as of the date the Issuer Substitution Documents are executed and to be available for inspection by Holders at the specified offices of the Trustee;

(vii) the Substituted Issuer shall have appointed a process agent in the Borough of Manhattan, the City of New York to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the New Notes Indenture, New Notes or the Issuer Substitution Documents;

(viii) no Event of Default has occurred and is continuing;

(ix) the substitution complies with any applicable requirements of the laws of Brazil in connection therewith;

(x) the substitution shall not result in the (a) Secured Parties failing to maintain perfected Liens in the Shared Collateral in accordance with the terms of the Collateral Documents and the Intercreditor Agreement and shall not otherwise impair or adversely impact the Shared Collateral or the rights of any of the Secured Parties therein, or (b) the New Notes and the New Notes Guarantees failing to maintain the benefit of perfected Liens in the Azul Cargo Collateral in accordance with the terms of the Azul Cargo Collateral Documents and the Azul Cargo Intercreditor Agreement and shall not otherwise impair or adversely impact the Azul Cargo Collateral or the rights of any of the Holders therein in accordance with the New Notes Indenture; and

(xi) each of the Substituted Issuer and the Issuer shall deliver to the Trustee an Officer's Certificate, executed by their respective authorized officers, certifying that the terms of this provision have been complied with and attaching copies of all documents contemplated herein.

(2) Upon the execution of the Issuer Substitution Documents and the satisfaction of the conditions referred to in paragraph (1) above, the Substituted Issuer shall be deemed to be named in the New Notes as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the New Notes shall thereupon be deemed to be amended to give effect to the substitution. Except as set forth above, the execution of the Issuer Substitution Documents shall operate to release the Issuer (or such previous substitute as aforesaid) from all its obligations in respect of the New Notes and the New Notes Documents and its obligation to indemnify the Trustee under the New Notes Indenture.

(3) The Issuer Substitution Documents shall be deposited with and held by the Trustee for so long as any New Notes remain outstanding and for so long as any claim made against the Substituted Issuer or the Issuer by any Holder in relation to the New Notes or the Issuer Substitution Documents shall not have been finally adjudicated, settled or discharged. The Substituted Issuer and the Issuer shall acknowledge in the Issuer Substitution Documents the right of every Holder to the production of the Issuer Substitution Documents for the enforcement of any of the New Notes or the Issuer Substitution Documents.

(4) Not later than 10 Business Days after the execution of the Issuer Substitution Documents, the Substituted Issuer shall give notice thereof to the Holders in accordance with the provisions described in "—Notices" below.

Merger, Consolidation and Sales of Assets

(1) Subject to clause (4), the Parent Guarantor shall not, and shall not permit any Guarantor to: (i) consolidate or merge with or into another Person (whether or not the Parent Guarantor or such Guarantor is the surviving corporation) or (ii) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the assets of the Parent Guarantor and its Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(i) either: (A) the Parent Guarantor or the applicable Guarantor, as applicable, is the surviving Person; or (B) the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor or the applicable Guarantor) or to which such sale, assignment, transfer, conveyance or other disposition has been made is an entity organized or existing under the laws of Brazil, the United States, the Cayman Islands, or any other country (or political subdivision thereof) that is a member country of the European Union or of the Organization for Economic Co-operation and Development on the Closing Date;

(ii) the Person formed by or surviving any such consolidation or merger (if other than the Parent Guarantor) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Parent Guarantor or the applicable Guarantor under the Transaction Documents pursuant to agreements reasonably satisfactory to the Trustee;

(iii) no Event of Default shall have occurred and be continuing or would result therefrom;

(iv) the substitution shall not result in the (a) Secured Parties failing to maintain perfected Liens in the Shared Collateral in accordance with the terms of the Collateral Documents and the Intercreditor Agreement and shall not otherwise impair or adversely impact the Shared Collateral or the rights of any of the Secured Parties therein, or (b) the New Notes and the New Notes Guarantees failing to maintain the benefit of perfected Liens in the Azul Cargo Collateral in accordance with the terms of the Azul Cargo Collateral Documents and the Azul Cargo Intercreditor Agreement and shall not otherwise impair or adversely impact the Azul Cargo Collateral or the rights of any of the Holders therein in accordance with the New Notes Indenture; and

(v) the Parent Guarantor shall have delivered to the Trustee an Officer's Certificate and Opinion of Counsel stating that such consolidation, merger or transfer complies with the New Notes Indenture and the Collateral Documents. The Trustee shall accept such Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in this provision, in which event it shall be conclusive and binding on the Holders.

(2) Paragraph (1) above will not apply to any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Parent Guarantor and/or any Subsidiary of the Parent Guarantor that, immediately following such transaction, guarantees the New Notes on the same terms (including as to security) *mutatis mutandis* as the New Notes Guarantees pursuant to the applicable Transaction Documents.

(3) Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Parent Guarantor in a transaction that is subject to, and that complies with the provisions of, paragraph (a) above, the successor Person formed by such consolidation or into or with which the Parent Guarantor is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of the New Notes Indenture referring to the Parent Guarantor shall refer instead to the successor Person and not to the Parent Guarantor), and may exercise every right and power of the Parent Guarantor under the New Notes Indenture with the same effect as if such successor Person had been named as the Parent Guarantor therein; *provided*, *however*, that the Parent Guarantor, if applicable, shall not be relieved from the obligation to pay the principal of, and interest, if any, on the New Notes except in the case of a sale of all of the Parent Guarantor's assets in a transaction that is subject to, and that complies with the provisions of, paragraph (a) above.

(4) No IP Party shall (i) consolidate or merge with or into another Person, or permit any other Person to merge into or consolidate with it, or (ii) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of its properties, in one or more related transactions, to another Person, in each case unless, in connection with any of the foregoing, such action shall result in the substantially contemporaneous occurrence of the discharge of the Secured Obligations.

IP Agreements

The Obligors shall not terminate, amend, waive, supplement or otherwise modify any IP Agreement or any provision thereof or exercise any right or remedy under or pursuant to or under any IP Agreement, in each case without the prior written consent of the Controlling Creditors if such termination, amendment, waiver, supplement or modification or exercise of remedies would reasonably be expected to result in a Material Adverse Effect; *provided* that (i) termination of any IP Agreement or any amendment to the termination provisions thereof, or (ii) any amendment to an IP Agreement that (A) materially and adversely affects rights to the Contributed Intellectual Property or, in the case of the Contribution Agreements, other applicable Shared Collateral, or rights to use the Contributed Intellectual Property or, in the case of the Contribution Agreements, other applicable Shared Collateral, (B) shortens the scheduled term thereof, (C) in the case of any IP License, materially and adversely changes the amount or calculation of the termination payment, or the amount, calculation or rate of fees due and owing thereunder, (D) changes the contractual subordination of payments thereunder in a manner materially adverse to the First Priority Secured Parties, (E) materially reduces the frequency of payments thereunder to an IP Party or permits payments due to an IP Party thereunder to be deposited to an account other than a Collection Account, (F) changes the amendment standards applicable to such IP Agreement (other than changes affecting rights of the Trustee or the U.S. Collateral Agent to consent to amendments, which is covered by clause (G)) in a manner that would reasonably be expected to result in a Material Adverse Effect or (G) materially impairs the rights of the Trustee or the U.S. Collateral Agent to enforce or consent to amendments to any provisions thereof in accordance therewith shall, in each case, be deemed to have a Material Adverse Effect.

Specified Organizational Documents

No Obligor shall amend, modify or waive any special purpose entity related provisions specified in any Specified Organizational Document. No Obligor shall amend, modify or waive any other provision of any Specified Organizational Document in a manner adverse to the Holders.

Intellectual Property Contribution Registration

Any assignment, pursuant to a Contribution Agreement, of Intellectual Property registered in Brazil shall be filed (*protocolado*) (i) with the applicable intellectual property office and applicable internet domain name registrars on or before the date that is 60 days after the Closing Date; and (ii) with the applicable registry of deeds and documents on or before the date that is 10 days after the Closing Date. Any assignment, pursuant to a Contribution Agreement, of Intellectual Property registered in the United States shall be filed in the applicable intellectual property office and applicable internet domain name registrars on or before the date that is 30 days after the Closing Date. Any assignment, pursuant to a Contribution Agreement, of Intellectual Property registered outside Brazil and the United States shall be filed in the applicable intellectual property office and applicable internet domain name registrars on or before the date that is 180 days after the Closing Date.

Databases

Each of the Parent Guarantor and Azul Linhas shall, and shall cause each of their respective Subsidiaries to, procure that IntelAzul shall at all times be the sole controller (within the meaning of the LGPD) of the TudoAzul Customer Data. The Parent Guarantor and Azul Linhas acknowledge and agree that, except for the limited exceptions described below in this paragraph, IntelAzul shall be the sole and exclusive repository of the TudoAzul Customer Data, with sole technical control over such database. In furtherance of the foregoing, (a) the Parent Guarantor and Azul Linhas shall, and shall cause each of their respective Subsidiaries (other than IntelAzul) and service providers to, permanently delete and erase each item of TudoAzul Customer Data from any and all databases and other information technology systems under their respective possession, custody or control, in each case, promptly upon IntelAzul becoming the controller of such TudoAzul Customer Data (other than any portions of TudoAzul Customer Data stored in archival format in accordance with their respective record retention policies or

automated electronic back-up procedures, where such TudoAzul Customer Data cannot reasonably be deleted or is required to be retained pursuant to applicable law; *provided* that such TudoAzul Customer Data shall not be used, shared or otherwise processed for any purpose); (b) IntelAzul shall not assign, transfer or otherwise convey any item of TudoAzul Customer Data without the prior written consent of the U.S. Collateral Agent acting at the direction of the Controlling Creditors; (c) the Parent Guarantor, Azul Linhas and IntelAzul shall not, and shall cause their respective Subsidiaries not to, create, amend, publish, provide or deliver any privacy policies, notices or statements in any manner which could reasonably be expected to materially impair any of the TudoAzul Customer Data or any other Shared Collateral (or the value thereof) or IntelAzul's or IP Co's rights thereto or ability to process the same, except as otherwise required by applicable law; and (d) the Parent Guarantor, Azul Linhas and IntelAzul shall enter into and maintain in effect a database control agreement (the "Database Control Agreement"), giving IntelAzul the right to prevent access to and use of the TudoAzul Customer Data following a Remedies Direction, which shall be expressly assignable to the Secured Parties and any successor controlling shareholder of IntelAzul. IntelAzul shall update the TudoAzul Customer Data in accordance with the periodicity established in its internal policies and controls, including after the New Notes having become immediately due and payable.

If the Parent Guarantor, Azul Linhas, or any of their respective Subsidiaries establishes a database with respect to, or otherwise begins to collect, store or otherwise process, customer data of the Azul Viagens Business that is similar or analogous to the TudoAzul Customer Data (including, e.g., data with respect to the tracking of repeat customers or customer travel habits, and excluding, e.g., data that is similar or analogous to the Azul Traveler Data that is excluded from the TudoAzul Customer Data) (such similar or analogous data, the "Azul Viagens Customer Data"), then (i) each of the Parent Guarantor and Azul Linhas shall, and cause each of their respective Subsidiaries to, procure that one of IntelAzul or Azul Viagens shall at all times be the sole controller (within the meaning of the LGPD) of the Azul Viagens Customer Data, (ii) the Parent Guarantor and Azul Linhas acknowledge and agree that one of IntelAzul or Azul Viagens shall be the sole and exclusive repository of the Azul Viagens Customer Data, with sole technical control over such database, (iii) IntelAzul or Azul Viagens, as the case may be, shall update the Azul Viagens Customer Data in accordance with the periodicity established in its internal policies and controls, including after the New Notes having become immediately due and payable, and (iv) in furtherance of the foregoing, (A) the Parent Guarantor and Azul Linhas shall, and shall cause each of their respective Subsidiaries (other than IntelAzul or Azul Viagens, as applicable) and service providers to, (x) ensure that no Azul Viagens Customer Data is stored at any time on any databases or other information technology systems under their respective possession, custody or control (other than any portions of Azul Viagens Customer Data stored in archival format in accordance with their respective record retention policies or automated electronic back-up procedures, where such Azul Viagens Customer Data cannot reasonably be deleted or is required to be retained pursuant to applicable law; *provided* that such Azul Viagens Customer Data shall not be used, shared or otherwise processed for any purpose), and (y) without limiting the foregoing clause (x), promptly transfer to IntelAzul or Azul Viagens, as applicable, and then permanently delete and erase, each item of Azul Viagens Customer Data identified on any such database or other information technology system; (B) IntelAzul or Azul Viagens, as applicable, shall not assign, transfer or otherwise convey any item of Azul Viagens Customer Data without the prior written consent of the U.S. Collateral Agent acting at the direction of the Controlling Creditors; (C) the Parent Guarantor, Azul Linhas, IntelAzul and Azul Viagens shall not, and shall cause their respective Subsidiaries not to, create, amend, publish, provide or deliver any privacy policies, notices or statements in any manner which could reasonably be expected to materially impair any of the Azul Viagens Customer Data or any other Shared Collateral (or the value thereof) or IntelAzul's or Azul Viagens', as applicable, or IP Co's rights thereto or ability to process the same, except as otherwise required by applicable law; and (D) such Azul Viagens Customer Data shall be subject to a Database Control Agreement.

Taxes

Each Obligor shall pay, and cause each of its Subsidiaries to pay, all material Taxes before the same shall become more than 90 days delinquent, other than Taxes (i) being contested in good faith by appropriate proceedings and (ii) the failure to effect such payment of which are not reasonably be expected to have a Material Adverse Effect.

Additional Amounts

(1) All payments (including any premium paid upon redemption of the New Notes) by or on behalf of the Issuer or a successor in respect of the New Notes or the Guarantors or a successor in respect of the Note Guaranties will be made free and clear of, and without withholding or deduction for or on account of, any present or future Taxes

imposed or levied by or on behalf of Brazil, the United States, the Cayman Islands or any authority therein or thereof or any other jurisdiction in which the Issuer or the Guarantors (or in each case, their successor) are organized or doing business or from or through which payments are made in respect of the New Notes, or any political subdivision or taxing authority thereof or therein (any of the aforementioned being a "Taxing Jurisdiction"), unless the Issuer or the Guarantors (or their respective successor) are compelled by law to deduct or withhold such Taxes. In such event, the Issuer or the Guarantors (or their respective successor) will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and pay such additional amounts as may be necessary to ensure that the net amounts received by registered Holders of New Notes after such withholding or deduction shall equal the respective amounts of principal and interest (or other amounts stated to be payable under the New Notes) which would have been received in respect of the New Notes in the absence of such withholding or deduction ("Additional Amounts"). Notwithstanding the foregoing, no such Additional Amounts shall be payable:

(i) to, or to a third party on behalf of, a Holder or beneficial owner who is liable for such Taxes in respect of such New Note by reason of the existence of any present or former connection between such Holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of such Holder, if such Holder is an estate, a trust, a partnership, or a corporation) and the relevant Taxing Jurisdiction, including, without limitation, such Holder or beneficial owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein, other than the mere holding of the New Note or enforcement of rights under the New Notes Indenture and the receipt of payments with respect to the New Note;

(ii) in respect of Taxes that would not have been so withheld or deducted if the New Notes had been surrendered or presented for payment (if surrender or presentment is required) not more than 30 days after the Relevant Date except to the extent that payments under such New Note would have been subject to withholdings and the Holder or beneficial owner of such New Note would have been entitled to such Additional Amounts, on surrender of such New Note for payment on the last day such period of 30 days;

(iii) to, or to a third party on behalf of, a Holder or beneficial owner who is liable for such Taxes by reason of such Holder or beneficial owner's failure to comply, with any certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with the relevant Taxing Jurisdiction of such Holder or beneficial owner, if (1) compliance is required by law or an applicable income treaty as a precondition to, exemption from, or reduction in the rate of, the Tax and (2) the Issuer has given the Holders and beneficial owners at least 30 days' notice that Holders and beneficial owners will be required to provide such certification, identification, documentation or other requirement;

(iv) in respect of any estate, inheritance, gift, sales, transfer, excise or personal property or similar Tax, other than as provided in Section 4.06(i);

(v) in respect of any Tax which is payable other than by deduction or withholding from payments of principal of (including premium) or interest on the New Note; or

(vi) in respect of any combination of the above.

(2) Notwithstanding anything to the contrary in this provision, none of the Issuer, the Guarantors, their respective successors, a paying agent or any other person shall be required to pay any Additional Amounts with respect to any payment in respect of any Taxes imposed under Sections 1471 through 1474 of the Code, or any successor law or regulation implementing or complying with, or introduced in order to conform to, such sections, or imposed pursuant to any intergovernmental agreement or any agreement entered into pursuant to section 1471(b)(1) of the Code.

(3) No Additional Amounts shall be paid with respect to any payment on a New Note to a Holder or beneficial owner who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that

payment to the extent that payment would be required by the relevant Taxing Jurisdiction to be included in the income, for Tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the Holder.

(4) Payments on the New Notes are subject in all cases to any Tax, fiscal or other law or regulation or administrative or judicial interpretation. Except as specifically provided above, neither the Issuer nor the Guarantors shall be required to pay Additional Amounts with respect to any Tax imposed by any government or a political subdivision or taxing authority thereof or therein.

(5) In the event that Additional Amounts actually paid with respect to the New Notes of the relevant series are based on rates of deduction or withholding of withholding Taxes in excess of the appropriate rate applicable to the Holder or beneficial owner of such New Notes of the relevant series, and, as a result thereof such Holder or beneficial owner is entitled to make claim for a refund or credit of such excess from the authority imposing such withholding Tax, then such Holder or beneficial owner, as applicable, shall, by accepting such New Notes, be deemed to have assigned and transferred all right, title, and interest to any such claim for a refund or credit of such excess to the Issuer.

(6) Any reference in the New Notes Indenture or the New Notes of the relevant series to principal, interest or any other amount payable in respect of the New Notes of the relevant series by the Issuer or the Note Guaranties by the Guarantors (or their successors) will be deemed also to refer to any Additional Amount, unless the context requires otherwise, that may be payable with respect to that amount under the obligations referred to in this provision.

(7) Each of Obligors shall agree that if any of the Issuer or the Guarantors, as applicable, is required under applicable law to make any deduction or withholding on payments of principal of or interest on the New Notes of the relevant series for or on account of any Tax, at least 10 days prior to the first payment date on the New Notes of the relevant series and at least 10 days prior to each payment date thereafter where such withholding is required, the Issuer or the Guarantor, as applicable, shall furnish the Trustee and a paying agent with an Officer's Certificate (but only if there has been any change with respect to the matters set forth in any previously delivered Officer's Certificate) instructing the Trustee and a paying agent as to whether such payment of principal of or interest on the New Notes of the relevant series shall be made without deduction or withholding for or on account of any Tax, or, if any such deduction or withholding shall be required by the Taxing Jurisdiction, then such certificate shall: (i) specify the amount required to be deducted or withheld on such payment to the relevant recipient; (ii) certify that the Issuer or the Guarantors, as applicable, shall pay such deduction or withholding amount to the appropriate taxing authority; and (iii) certify that the Issuer or the Guarantors, as applicable, shall pay or cause to be paid to the Trustee or a paying agent such Additional Amounts as are required by this provision.

(8) Each of Obligors (or their respective successor) will pay any Taxes required to be deducted or withheld pursuant to applicable law and will furnish to the Holders, within 60 days after the date such payment is due, either certified copies of Tax receipts evidencing such payment, or, if such receipts are not obtainable, other evidence of such payments reasonably satisfactory to the Holders.

(9) The Issuer or the Guarantors, as applicable, will pay when due any present or future stamp, transfer, court or documentary Taxes or any other excise or property Taxes imposed by a Taxing Jurisdiction (or any political subdivision or governmental authority thereof or therein having power to Tax) with respect to the initial execution, delivery or registration of the New Notes of the relevant series or any other document or instrument relating thereto.

Stay, Extension and Usury Laws

Each Obligor covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of the New Notes Indenture; and each Obligor (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee or any U.S. Collateral Agent, but will suffer and permit the execution of every such power as though no such law has been enacted.

Corporate Existence

Each Obligor shall do or cause to be done all things reasonably necessary to preserve and keep in full force and effect: (1) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective Specified Organizational Documents (as the same may be amended from time to time) of such Obligor; and (2) its and its Subsidiaries' rights (charter and statutory) and material franchises; *provided*, *however*, that the Parent Guarantor shall not be required to preserve any such right or franchise, or the corporate, partnership or other existence of it or any of its Subsidiaries (other than any IP Party, the Issuer, IntelAzul and Azul Viagens), if its Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Parent Guarantor and its Subsidiaries, taken as a whole, and that the loss thereof would not, individually or in the aggregate, have a Material Adverse Effect. For the avoidance of doubt, this section shall not prohibit any actions permitted under "Certain Covenants—Merger, Consolidation and Sales of Assets."

Regulatory Matters

The Parent Guarantor will:

(a) maintain at all times a valid airline operating certificate (*Certificado de Operador Aéreo*) issued by the Brazilian National Civil Aviation Agency (*Agência Nacional de Aviação Civil*), or any successor certificate or agency; and

(b) possess and maintain all necessary certificates, exemptions, franchises, licenses, permits, designations, rights, concessions, authorizations, frequencies and consents that are material to the operation of the TudoAzul Program, the Azul Viagens Business and the Azul Cargo Business, and to the conduct of its business and operations as currently conducted, except to the extent that any failure to possess or maintain would not reasonably be expected to result in a Material Adverse Effect.

Compliance with Laws

The Parent Guarantor shall comply, and cause each of its Subsidiaries to comply, with all applicable laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where such noncompliance, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

Azul Conduct of Business

The Parent Guarantor will possess and maintain all necessary certificates, exemptions, franchises, licenses, permits, designations, rights, concessions, authorizations and consents that are material to the operation of the TudoAzul Program, and to the conduct of its business and operations as currently conducted, except to the extent that any failure to possess or maintain would not reasonably be expected to result in a Material Adverse Effect.

Collateral Ownership

Subject to the provisions described (including the actions permitted) under "Certain Covenants—Dispositions" and "Certain Covenants—Merger, Consolidation and Sales of Assets" hereof, each Grantor will continue to maintain its interest in and right to use all property and assets so long as such property and assets constitute Shared Collateral.

Application of Unapplied Net Proceeds

To the extent not applied in accordance with "—Mandatory Prepayments; No Sinking Fund" and "—Mandatory Repurchase Offers," the Issuer shall cause an amount equal to the such Net Proceeds pursuant to such sections to be deposited promptly into a Collection Account, which amounts shall be applied in accordance with the terms of "—Payment Waterfalls."

Events of Default

An "Event of Default" will occur with respect to the New Notes of the relevant series, if any of the following occurs:

(1) default in any payment of:

(a) any principal amount or premium, if any, on any of the New Notes of the relevant series when such amount becomes due and payable;

(b) any interest (including any Additional Amounts) on the New Notes of the relevant series and such default shall have continued for a period of more than 30 days (or, if Azul Linhas is then subject to a proceeding under chapter 11 of the Bankruptcy Code, 60 days after the date of such failure to pay);

(c) any other amount payable under the New Notes Indenture when due and such default shall have continued unremedied for more than 30 days after the earlier of (A) a Responsible Officer of an Obligor obtaining knowledge of such default or (B) receipt by an Obligor of notice from the Trustee of such default; *provided* that, if any default shall have been made by any Obligor in the due observance or performance of the covenants set forth in "Certain Covenants" shall not constitute a default under this clause (c); or

(2) (a) default shall have been made by any Obligor in the due observance or performance of any of the covenants in "—Maintenance of Accounts/Payment on the New Notes," and such default shall continue unremedied for more than ten Business Days after the earlier of (i) a Responsible Officer of an Obligor obtaining knowledge of such default or (ii) receipt by an Obligor of notice from the Trustee of such default; or (b) with respect to the New 2029 Notes only, the Issuer shall not have consummated the New 2029 Notes Repurchase Offer by October 26, 2024; or

(3) default by any Obligor in the due observance or performance of any other covenant, condition or agreement to be observed or performed by it pursuant to the terms of the New Notes Indenture or any of the other New Notes Documents and such default continues unremedied or uncured for more than 45 days after the earlier of (i) a Responsible Officer of an Obligor obtaining knowledge of such default or (ii) receipt by an Obligor of notice from the Trustee of such default; *provided* that, if such Person is proceeding with diligence and good faith to cure or remedy such default and such default is susceptible to cure or remedy, such 45 day period shall be extended to 60 days in the aggregate (inclusive of the original 45 day period); or

(4) (A) any material provision of the New Notes Indenture or of any New Notes Document to which any Obligor is a party ceases to be a valid and binding obligation of such party, or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any New Notes Document, (B) the Lien on any material portion of the Shared Collateral intended to be created by the Collateral Documents shall cease to be or shall not be a valid and perfected Lien having the priorities contemplated in the New Notes Indenture (subject to Permitted Collateral Liens and except as permitted by the terms of the New Notes Indenture and the Collateral Documents or other than as a result of the action, delay or inaction of the Trustee and subject to any permitted post-closing perfection periods) or (C) any New Notes Guarantee shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of such New Notes Guarantee, or any Guarantor shall fail to comply with any of the terms or provisions of such New Notes Guarantee, or any Guarantor shall deny that it has any further liability under such guaranty, *provided* that in each case, unless the Parent Guarantor or any of its Subsidiaries shall have contested or challenged, other than good faith disputes regarding interpretation of contractual provisions, the validity, perfection or priority of, or attempted to invalidate, such Liens or the validity or enforceability of a material provision of any Collateral Document or material portion of any Shared Collateral or provision of the New Notes Guarantee, such breach shall not be an Event of Default unless such breach continues unremedied or uncured for more than 20 Business Days after the earlier of (x) a Responsible Officer of the Parent Guarantor or the Issuer obtaining knowledge of such default or (y) receipt by the Issuer of written notice from the Trustee of such default; *provided* that, if such Person is proceeding with diligence and good faith to cure or remedy such default and such default is susceptible to cure, such 20 Business Days shall be extended as may be necessary to

cure such failure, such extended period not to exceed 30 Business Days in the aggregate (inclusive of the original 20 Business Day period); or

(5) any Obligor or Significant Subsidiary (i) commences a voluntary case or procedure under a Bankruptcy Law, (ii) consents to the entry of an order for relief against it in an involuntary case under a Bankruptcy Law, (iii) consents to the appointment of a receiver, trustee, liquidator, provisional liquidator, custodian, conservator or other similar official of it or for all or substantially all of its property, (iv) makes a general assignment for the benefit of its creditors, (v) admits in writing its inability generally to, pay its debts as they become due, or (vi) proposes or passes a resolution for its voluntary winding up or liquidation under a Bankruptcy Law; or

(6) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (i) is for relief against any Obligor or any Significant Subsidiary, (ii) appoints a receiver, trustee, liquidator, provisional liquidator, custodian, conservator or other similar official of any or for all or substantially all of the property of any Obligor or any Significant Subsidiary; or (iii) orders the liquidation of any Obligor or any Significant Subsidiary, and in each case (other than in respect of an IP Party), the order or decree remains unstayed and in effect for 60 consecutive days; or

(7) (a) failure by the Parent Guarantor or any of the Parent Guarantor's Significant Subsidiaries to pay one or more final judgments entered by a court or courts of competent jurisdiction aggregating in excess of US$75.0 million (or US$250,000 in the case of any IP Party) (or the equivalent thereof in other currencies at the time of determination) (determined net of amounts covered by insurance policies issued by creditworthy insurance companies or by third party indemnities or a combination thereof), which judgments are not paid, discharged, bonded, satisfied or stayed for a period of 60 days, which judgment is not paid, discharged, bonded, satisfied (by or on behalf of an IP Party otherwise than in breach of any Transaction Document) or stayed for a period of 60 days; or

(8) (i) any Obligor or any Significant Subsidiary shall default in the performance of any obligation relating to Material Indebtedness and any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with, and as a result of such default the holder or holders of such Material Indebtedness or any trustee or agent on behalf of such holder or holders shall have caused such Material Indebtedness to become due prior to its scheduled final maturity date or (ii) any Obligor or any Significant Subsidiary shall default in the payment of the outstanding principal amount due on the scheduled final maturity date of any Indebtedness outstanding under one or more agreements of such Obligor, any applicable grace periods shall have expired and such failure to make payment when due shall be continuing for a period of more than five consecutive Business Days following the applicable scheduled final maturity date thereunder, in an aggregate principal amount at any time unpaid exceeding US$75.0 million (or US$250,000 in the case of any IP Party) (or the equivalent thereof in other currencies at the time of determination) (determined net of amounts covered by insurance policies issued by creditworthy insurance companies or by third party indemnities or a combination thereof); or

(9) (i) an exit from, or a termination or cancellation of, the TudoAzul Program (including the failure to maintain in effect at least one TudoAzul Agreement), the Azul Viagens Business or the Azul Cargo Business, or (ii) any termination, expiration or cancellation of (1) any IP Agreement or (2) any Intercompany Loan Agreement (including the failure to maintain in effect at least one TudoAzul Program Agreement); or

(10) any Obligor makes a Material Modification to any IP Agreement or any Intercompany Loan Agreement without the prior written consent of the Holders required to consent there to under the section "—Modification of the New Notes Indenture and the Collateral Documents with holder consent"; or

(11) a Specified Obligor Change of Control; or

(12) (i) failure of any IP Party to maintain at least one Independent Director for more than seven consecutive Business Days or (ii) the removal of any Independent Director of any IP Party without "cause" (as such term is defined in the Specified Organizational Document of such IP Party) or without giving prior written notice to the Trustee, each as required in the organizational or constitutional documents of such IP Party.

Application of Payments Following an Event of Default

Subject to the terms of the Intercreditor Agreement, any payment received after the occurrence and continuance of any other Event of Default in which a Collateral Agent (at the direction of the Controlling Creditors) or the Trustee (at the direction of the Requisite Noteholders) has provided the Obligors with at least two Business Days' prior written notice that the Available Funds will be distributed pursuant to the priority set forth below, any payments, recoveries or distributions received in any proceeding under any Bankruptcy Laws including adequate protection and distributions under a Chapter 11 Plan to the extent received by the Trustee as the relevant series of New Notes' Allocable Share thereof shall be applied by the Trustee together with any other Available Funds, as follows:

(1) *first*, (x) to the Trustee and the U.S. Collateral Agent, fees, costs, expenses, reimbursements and indemnification amounts due and payable to such Agents pursuant to the terms of the Collateral Documents and then (y) ratably, to the Trustee and the U.S. Collateral Agent, the other, fees, costs, expenses, reimbursements and indemnification amounts due and payable to the Trustee or the U.S. Collateral Agent pursuant to the terms of the New Notes Indenture or the Collateral Documents and *then* (z) ratably, for the relevant series of New Notes' Allocable Share of the fees, expenses and other amounts due and owing to any Independent Director of IP Party (to the extent not otherwise paid);

(2) *second*, to the Trustee, on behalf of the Holders, any due and unpaid interest on the New Notes of the relevant series;

(3) *third*, to the Trustee, on behalf of the Holders in an amount equal to the amount necessary to pay the outstanding principal balance of the New Notes of the relevant series in full;

(4) *fourth*, to pay to the Trustee on behalf of the Holders, any additional Obligations then due and payable, including any premium; and

(5) *fifth*, all remaining amounts shall be deposited into a Collection Account.

Automatic Acceleration Upon a Bankruptcy Event of Default

Upon the occurrence of a Bankruptcy Event of Default, and without any declaration or other act on the part of the Trustee, any Collateral Agent or any Holder, the New Notes of the relevant series shall become immediately due and payable, whereupon 100% of the principal amount of the New Notes, plus any and other Obligations and all other liabilities of the Obligors accrued under the New Notes Indenture and under any other Collateral Document, shall become immediately due and payable (a "Bankruptcy Automatic Acceleration") and whereupon the Trustee shall be entitled to take any of the actions and events described in clauses (2) to (4) under "—Remedies Exercisable by the Trustee."

However, after any declaration of acceleration of the New Notes of the relevant series or any automatic acceleration described in clauses (a) and (b) above, but before a judgment or decree for payment has been obtained from a court of competent jurisdiction, the Requisite Noteholders of the relevant Series may, by notice to the Trustee, rescind such accelerated payment requirement (including the consequences of such acceleration including any related payment default that resulted from such acceleration) if (i) all existing Events of Default, except for nonpayment of the principal, premium and interest on the New Notes that has become due solely as a result of the automatic accelerated payment requirement, have been cured or waived, and (ii) if the rescission of acceleration would not conflict with any judgment or decree of a court of competent jurisdiction.

Remedies Exercisable by the Trustee

Upon the occurrence of an Event of Default and at any time during the continuance thereof, the Trustee shall, at the request of the Requisite Noteholders, by written notice to the Obligors and the Holders (with a copy to the Collateral Agents), take one or more of the following actions, at the same or different times:

(1) declare the New Notes of the relevant series or any portion thereof then outstanding to be forthwith due and payable, whereupon 100% of the principal amount of the New Notes plus any and other Obligations and all other liabilities of the Obligors accrued under the New Notes Indenture and under any other Collateral Document, shall become forthwith due and payable;

(2) provide notice to the Obligors and the Collateral Agents to exercise Cash Control;

(3) subject to the Intercreditor Agreement, set-off amounts in the Controlled Accounts or any other accounts (other than accounts pledged to secure other Indebtedness of any Obligor, escrow accounts, payroll accounts, payroll and withholding Tax accounts and similar accounts used for employment Tax or employee benefits and accrued and unpaid employee compensation payments (including salaries, wages, benefits and expense reimbursements, 401(k) and other retirement plans and employee benefits, including rabbi trusts for deferred compensation and health care benefits), other fiduciary, Tax or trust accounts or accounts held in trust for an unaffiliated third party) maintained with the Trustee, a Collateral Agent or the Trustee (or any of their respective affiliates) and apply such amounts to the obligations of the Obligors under the New Notes Indenture and in the Collateral Documents; and

(4) subject to the terms of the Transaction Documents, exercise any and all remedies under the Collateral Documents and under applicable law available to the Trustee, the Collateral Agents and the Holders.

Modification of Transaction Documents

Without Holder Consent

Without notice to, or the consent of, any Holders of New Notes of the relevant series, but, with respect to the Collateral Documents and the Azul Cargo Collateral Documents, subject to the restrictions contained therein:

- the New Notes Documents may be amended by the Trustee, the Collateral Agents and the Obligors as may be necessary or appropriate, in the reasonable opinion of the Trustee and the Obligors, to effect the issuance of Permitted Additional New Notes or Permitted First Priority Secured Debt in accordance with the terms of the New Notes Documents; or
- the Intercreditor Agreement may be amended or supplemented; *provided*, that no such agreement shall amend, modify or otherwise directly and adversely affect the rights or duties of the Trustee under the New Notes Documents without its prior written consent; or
- the New Notes Documents may be amended to evidence the succession of another Person to the Parent Guarantor pursuant to a consolidation, merger or conveyance, transfer or lease of assets permitted under the New Notes Indenture; or
- the New Notes Documents may be amended to surrender any right or power conferred upon any Obligor; or
- the New Notes Documents may be amended to add to the covenants such further covenants, restrictions, conditions or provisions for the protection of the Holders of any series, and to add any additional Events of Default for the New Notes of any series, subject to certain limitations; or
- the Transaction Documents (including, for the avoidance of doubt, any exhibit, schedule or other attachment to any Collateral Document or any Azul Cargo Collateral Document) save for the Cayman Equitable Share Mortgages may be amended by an agreement in writing entered into by the relevant Obligor and the Trustee or the relevant Collateral Agent, as applicable, to (x) to cure any ambiguity, omission, mistake, defect or inconsistency, (y) effect administrative changes of a technical or immaterial nature and (z) correct or cure any incorrect cross references or similar inaccuracies and such amendment shall be deemed approved by the Holders if the Holders shall have received at least five Business Days' prior written notice of such change and the Trustee shall not have received, within five Business Days of the date of such notice to the Holders, a written notice from the Requisite Noteholders stating that the Requisite Noteholders object to such amendment; or
- the New Notes Documents may be amended to convey, transfer, assign, mortgage or pledge any property to or with the Trustee or any Collateral Agent, or to make such other provisions in regard to matters or questions arising under the Transaction Documents shall not adversely affect the interests of any Holders of New Notes; or
- the New Notes Documents may be amended to modify or amend the New Notes Documents in such a manner as to permit the qualification of the New Notes Indenture or any supplemental indenture under the Trust Indenture Act as then in effect; or

- the New Notes Documents may be amended to add to or change any provisions of the New Notes Indenture to such extent as necessary to permit or facilitate the issuance of the New Notes in bearer or uncertificated form, *provided* that any such action shall not adversely affect the interests of the Holders of New Notes in any material respect; or
- the New Notes Indenture (including the terms of the New Notes Guarantees), the Collateral Documents, the Azul Cargo Collateral Documents and any other New Notes Document may be amended to (A) effect the granting, perfection, protection, expansion or enhancement of any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable requirements of law, (B) as required by local law or advice of counsel to give effect to, or protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable requirements of law, or (C) to cause such New Notes Guarantee, collateral or security document or other document to be consistent with the New Notes Indenture, the Collateral Documents, other New Notes Document or the Azul Cargo Collateral Documents, as applicable; or
- to provide additional guarantees for the New Notes; or
- to evidence the release of Liens in favor of the Trustee, any Collateral Agent or any Secured Party in the Shared Collateral in accordance with the terms of the New Notes Documents, or in the Azul Cargo Collateral in accordance with the terms thereof; or
- the New Notes Documents may be amended to evidence and provide for the acceptance of appointment of a separate or successor Trustee or Collateral Agent and to add to or change any of the provisions of the New Notes Documents as shall be necessary to provide for or facilitate the administration of the New Notes Documents by more than one Trustee or Collateral Agent; or
- the New Notes Documents may be amended to conform the text of any Transaction Document to any provision of this "Description of New Notes," the "Description of Certain Material Transaction Agreements," or the "Description of Collateral" to the extent that any such provision therein was intended to be a verbatim recitation of a provision of the relevant New Notes Document, as set forth in an Officer's Certificate delivered to the Trustee.

With Holder Consent

Except as provided above, no modification, amendment or waiver of any provision of the New Notes Indenture, any Collateral Document (other than any Account Control Agreement) or any Azul Cargo Collateral Document, and no consent to any departure by any Obligor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Requisite Noteholders (or signed by the Trustee with the written consent of the Requisite Noteholders) and, with respect to any Collateral Document or any Azul Cargo Collateral Document, subject to the restrictions contained therein; *provided* that no such modification, amendment or supplement shall without the prior written consent of:

- each Holder directly and adversely affected thereby, (A) reduce the principal amount of, premium, if any, or interest if any, on, or (B) extend the Stated Maturity or interest payment periods, of the New Notes of the relevant series or (C) modify such Holder's ability to vote its obligations pursuant to the Intercreditor Agreement; or
- all of the Holders, (A) amend or modify any provision of the New Notes Indenture which provides for the unanimous consent or approval of the Holders to reduce the percentage of principal amount of New Notes the Holders required thereunder or (B) release the Liens granted to a Collateral Agent under any New Notes Document (other than as permitted under any New Notes Document); or
- all of the Holders, except as referred to under "—Satisfaction and Discharge of the New Notes Indenture; Defeasance," release the New Notes Guarantees; or
- the Holders holding no less than 66.67% of the outstanding principal amount of the New Notes of the relevant series, (A) release any of the Collateral (other than as permitted under the New Notes Indenture and the Collateral Documents or the Azul Cargo Collateral Documents), (B) release any New Notes Guarantees or any other guarantees of the New Notes, (C) amend, waive or otherwise modify the covenants set forth under "Certain Covenants—Corporate Matters," or (D) effect any shortening or subordination of term or reduction in

fees or liquidated damages under any IP License (except as permitted under the Intercreditor Agreement following a Designated Default Event); or

- the Requisite Noteholders, to make the New Notes of the relevant series of such holder payable in money or securities other than that as stated in the New Notes of the relevant series; or
- the Requisite Noteholders, to impair the right of such holder to institute suit for the enforcement of any payment with respect to the New Notes of the relevant series; or
- all Holders of the relevant series, reduce the percentage specified in the definition of "Requisite Noteholders" in respect of such series; or
- all Holders of the relevant series, modify any of the foregoing provisions of this sentence in respect of such series.

Affiliate Holders; Competitors

A note does not cease to be outstanding because the Issuer or one of its Affiliates holds the note, *provided* that in determining whether the Holders of the requisite principal amount of the outstanding New Notes have given or taken any request, demand, authorization, direction, notice, consent, waiver or other action pursuant to, or in connection with, the New Notes Indenture, the New Notes, the New Notes Guarantees or the New Notes Documents, New Notes owned by the Issuer or any Affiliate of the Issuer will be disregarded and deemed not to be outstanding, (it being understood that in determining whether the Trustee is protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only New Notes which the Trustee actually knows to be so owned will be so disregarded). Notes so owned which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such New Notes and that the pledgee is not the Issuer or any Affiliate of the Issuer.

In determining whether the Holders of the requisite principal amount of the outstanding New Notes have given or taken any request, demand, authorization, direction, notice, consent, waiver or other action pursuant to, or in connection with, the New Notes Indenture, the New Notes, the New Notes Guarantees or the New Notes Documents, New Notes owned by a Competitor will be disregarded and deemed not to be outstanding (it being understood that in determining whether the Trustee is protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only New Notes in respect of which the Trustee has received prior written notice from the Issuer that such New Notes are owned by a Holder that is a Competitor will be so disregarded).

Further, the terms of the New Notes prohibit the transfer of any New Notes to any Competitor, and by their acceptance of any transferred New Note the transferee shall be deemed to represent that it is not a Competitor.

Satisfaction and Discharge of the New Notes Indenture; Defeasance

The New Notes Indenture, the Collateral Documents and the Azul Cargo Collateral Documents shall cease to be of any further effect with respect to the New Notes if either (a) the Issuer have delivered all New Notes to the Trustee for cancellation (with certain limited exceptions) or (b) all New Notes not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable at their maturity within one year or are to be called for redemption within one year, and the Issuer shall have deposited with the Trustee as trust funds the amount sufficient to pay and discharge the entire indebtedness on such New Notes not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest, if any, to the date of such deposit (in the case of New Notes which have become due and payable) or to the maturity date or redemption date, as the case may be, of the New Notes of the relevant series.

In addition, the Issuer shall have a "legal defeasance option" (pursuant to which the Issuer may terminate, with respect to the New Notes of the relevant series, all of its obligations, except for certain obligations, under the New Notes of such series and the New Notes Indenture, the Collateral Documents and the Azul Cargo Collateral Documents with respect to the New Notes of such series and all obligations of the Guarantors under the New Notes Guarantees) and a "covenant defeasance option" (pursuant to which the Issuer may terminate, with respect to the New Notes of the relevant series, their obligations under the covenants described under "—Certain Covenants" above). If the legal defeasance option is exercised with respect to the New Notes of such series, payment of the

New Notes of such series may not be accelerated because of an Event of Default. If the covenant defeasance option is exercised with respect to the New Notes of the relevant series, payment of the New Notes of such series may not be accelerated because of an Event of Default related to the specified covenants.

In order to exercise either the legal defeasance option or the covenant defeasance option with respect to the New Notes of the relevant series:

- the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of New Notes of the relevant series, cash, non-callable U.S. government securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized independent registered public accounting firm, to pay the principal of, premium, if any, and interest on the outstanding New Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;
- in the case of an election of the legal defeasance option, the Issuer shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that: (a) the Issuer have received from, or there has been published by, the Internal Revenue Service (the "IRS") a ruling; or (b) since the date of the New Notes Indenture, there has been a change in the applicable U.S. Federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the beneficial owners of the outstanding New Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such legal defeasance and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;
- in the case of an election of the covenant defeasance option, the Issuer shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee confirming that the beneficial owners of the outstanding New Notes will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;
- no Event of Default shall have occurred and be continuing either: (x) on the date of such deposit (other than an Event of Default resulting from the borrowing of funds to be applied to such deposit); or (y) insofar as certain bankruptcy, insolvency or reorganization Events of Default are concerned, at any time in the period ending on the 91st day after the date of deposit;
- such legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the New Notes Indenture) to which the Issuer is a party or by which the Issuer is bound;
- the Issuer shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders of the New Notes of the relevant series over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others; and
- the Issuer shall have delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent provided for or relating to the legal defeasance or the covenant defeasance have been complied with.

The Registrar, Paying Agent and Transfer Agent

The Trustee, acting through its corporate trust office, has been appointed the registrar, paying agent and transfer agent for the New Notes. Notes are transferable at the office of the registrar. Principal and interest will be payable at the office of the paying agent. We may, however, pay interest at our option by check mailed to registered Holders or by wire transfer to an account of the Person entitled thereto as such account shall be provided to the registrar for the New Notes. Payments of principal of the New Notes of the relevant series will be made against surrender of the New Notes at the office of the Trustee (acting as paying agent) at our option by check payable to or upon the written order of the Person entitled thereto or by wire transfer to an account of the Person entitled thereto as such account shall be provided to the registrar for the New Notes of such series. We may change the registrar, paying agent, registrar or transfer agent, or appoint an additional paying agent or transfer agent, in each case without prior notice to the Holders.

Notices

For so long as New Notes in global form are outstanding, notices to be given to Holders will be given to the depositary in accordance with its applicable policies as in effect from time to time. If New Notes are issued in certificated form, notices to be given to Holders will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to Holders at their registered addresses as they appear in the Trustee's records.

Trustee and Collateral Agents

UMB Bank, N.A. will be appointed as trustee under the New Notes Indenture and U.S. Collateral Agent and TMF Brasil Administração e Gestão de Ativos Ltda. will be appointed as Brazilian Collateral Agent

The New Notes Indenture and Collateral Documents will contain provisions for the indemnification of the Trustee and the Collateral Agents and for their relief from responsibility. The obligations of the Trustee and the Collateral Agents to any holder will be subject to such immunities and rights as are set forth in the New Notes Indenture.

Each of the Trustee and each Collateral Agent needs to perform only those duties that will be specifically set forth in the New Notes Indenture and Collateral Documents and no others, and no implied covenants or obligations will be read into the New Notes Indenture against the Trustee. No provision of the New Notes Indenture or Collateral Documents will require the Trustee or any Collateral Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties thereunder, or in the exercise of its rights or powers, unless it receives indemnity satisfactory to it against any loss, liability or expense. The indemnification rights and expenses of the Trustee and the Collateral Agents shall be secured by the Shared Collateral and be entitled to the priority set forth under "—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement" above.

We may maintain banking relationships in the ordinary course of business with the Trustee, the Collateral Agents and their affiliates. The Trustee and the Collateral Agents assume no responsibility for the accuracy or completeness of the information concerning the Parent Guarantor or its affiliates or any other party contained in, or incorporated by reference into, this Offering Memorandum or the related documents or for any failure by us or any other party to disclose events that may have occurred and may affect the significance or accuracy of such information. Neither the Trustee nor either Collateral Agent shall be responsible for determining whether any Azul Brand Suspension Event, Azul Brand Termination Event, Other IP Termination Event or Change of Control has occurred and whether any Parent Change of Control Offer with respect to the New Notes is required. The Trustee shall not be responsible for monitoring the rating status of the Parent Guarantor or its affiliates, making any request upon any rating agency, or determining whether any rating event with respect to the New Notes of the relevant series has occurred. The Trustee and each Collateral Agent shall not be responsible for and make no representation as to the existence, genuineness, value or protection with respect to the Collateral, the legality, effectiveness or sufficiency of any Collateral Document, or for the creation, perfection, priority, sufficiency or protection of any Liens securing the New Notes and the Obligations. Neither the Trustee nor either Collateral Agent shall be responsible for filing any financing or continuation statements or any other filing that may be required in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Lien or security interest in the Collateral, or actions taken by the Parent Guarantor or any other person with respect to perfection of Liens or security interests in the Collateral. The Trustee and each Collateral Agent shall not be liable or responsible for the failure of the Parent Guarantor or any other person to effect or maintain insurance on the Collateral as provided in the New Notes Indenture or any Collateral Document, nor shall they be responsible for any loss by reason of want or insufficiency in insurance or by reason of the failure of any insurer by which the insurance is provided to pay the full amount of any loss against which it may have insured the Parent Guarantor, the Trustee, either Collateral Agent or any other person. The Trustee and each Collateral Agent have no obligation to monitor the Parent Guarantor's name, the Guarantor's name or any additional guarantor's name and are not responsible for any action required to be taken with respect to perfection of Liens or security interests in the Collateral in the event of any name change, including but not limited to filing new financing statements. Neither the Trustee nor either Collateral Agent shall have any duty to invest any funds that may be on deposit under the New Notes Indenture or any Collateral Document.

Governing Law; Jury Trial Waiver

The New Notes Indenture, the New Notes, the New Notes Guarantees and the Collateral Documents (other than the Cayman Equitable Share Mortgages and the Brazilian Collateral Documents) will be, governed by, and construed in accordance with, the laws of the State of New York. The Cayman Equitable Share Mortgages will be, governed by, and construed in accordance with, the laws of the Cayman Islands. The Brazilian Collateral Documents and the Azul Cargo Collateral Documents shall be governed by, and construed in accordance with, the laws of the Federative Republic of Brazil. The New Notes Indenture, the Collateral Documents and the Azul Cargo Collateral Documents will provide that the Obligors, the Trustee and each Collateral Agent, irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to the New Notes Indenture, the Collateral Documents, the Azul Cargo Collateral Documents, the New Notes and the New Notes Guarantees.

Limitation on Recourse; Non-Petition

The obligations of the IP Parties from time to time and at any time under the New Notes will be limited recourse obligations of the IP Parties and are payable solely from the Shared Collateral available at such time and amounts derived therefrom and, following realization of the Shared Collateral and application of the proceeds thereof in accordance with the New Notes Indenture and the Collateral Documents, all obligations of and any remaining claims against the IP Parties under the New Notes or in connection therewith after such realization will be extinguished and shall not thereafter revive. No recourse shall be had against any officer, director, employee, shareholder or incorporator of any IP Party, their Affiliates or their respective successors or assigns for any amounts payable under the New Notes, the New Notes Indenture or the Collateral Documents (except as otherwise provided in the New Notes Indenture and the Collateral Documents).

No party to the New Notes Indenture, party to a Collateral Document or a Holder may, prior to the date which is one year (or if longer, any applicable preference period) and one day after the payment in full of all New Notes, institute against, or join any other Person in instituting against, the IP Parties any bankruptcy, winding up, reorganization, restructuring, arrangement, insolvency, moratorium or liquidation (including provisional liquidation) proceedings, or other proceedings under Cayman Islands, U.S. federal or State bankruptcy or similar laws.

Certain Definitions

Set forth below are certain defined terms used in this Offering Memorandum:

"Account Bank" means each of the financial institutions set forth in the definitions of TudoAzul Receivables Deposit Account, Azul Viagens Receivables Deposit Account and Azul Cargo Receivables Deposit Account, and any financial institution appointed to such role pursuant to any Collateral Document or Azul Cargo Collateral Document.

"Account Control Agreements" means (a) any multi-party security and control agreement entered into by any Grantor, a financial institution which maintains one or more deposit accounts or securities accounts and the Trustee or the U.S. Collateral Agent, as applicable, that have been pledged to the Trustee or a Collateral Agent, as applicable, as Collateral under the Collateral Documents or any other New Notes Document, in each case giving the Trustee or a Collateral Agent, as applicable, "control" (as defined in Section 9-104 of the UCC) over the applicable account and in form and substance reasonably satisfactory to the Trustee and the U.S. Collateral Agent and (b) any corresponding agreement under Brazilian law in favor of the Applicable Collateral Representatives.

"Act of Controlling Creditors" means, as to any matter at any time prior to the discharge of First Priority Secured Obligations, a direction in writing (including, for the avoidance of doubt, any Remedies Direction) of the Controlling Creditors delivered to Representatives under the Intercreditor Agreement by the applicable Representatives of each applicable Series of Secured Debt on behalf of the Controlling Creditors.

"Additional Collateral" means assets that are substantially similar to any of the types of assets or property that comprise any part of the Shared Collateral on the Closing Date, including assets that are required, pursuant to the terms of the New Notes Indenture, to become part of the Shared Collateral and assets that the Issuer elects to be added as Shared Collateral; *provided* that such assets are commonly appraised by Approved Appraisal Firms and the

Liens on such assets in favor of the relevant Collateral Agent are perfected on the same basis and to substantially the same extent as the Shared Collateral on the Closing Date is required to be perfected.

"Additional First Priority Secured Debt" means any Indebtedness incurred or issued after the Closing Date constituting Permitted First Priority Secured Debt and which constitutes, has rights in respect of the Shared Collateral as, First Priority Secured Debt, pursuant to the Intercreditor Agreement. Notwithstanding any other provision of the Transaction Documents, Additional First Priority Secured Debt can be denominated in, and be payable in, any currency.

"Administration Agreements" means the administration agreements to be entered into between each of (i) the Issuer and the IP Parties (as applicable), (ii) the Administrator and (iii) Walkers Fiduciary Limited in its capacity as share trustee.

"Administrator" means Walkers Fiduciary Limited in its capacity as administrator under the Administration Agreements.

"AerCap Secured Obligations" means the outstanding amount of the specified payment obligations arising under 57 relevant aircraft leases (the "Relevant Leases") that are required to be secured by the Shared Collateral pursuant to the terms of (i) that certain forbearance agreement, dated April 4, 2023, entered into between Azul Linhas, as lessee, certain lessors of aircraft referred to therein, as lessors (the "Relevant Lessors"), and the Parent Guarantor, as guarantor, and/or that certain global partial deferral agreement, dated April 4, 2023, entered into between Azul Linhas and the Relevant Lessors, in each case, as amended and/or amended and restated as in effect as of the Closing Date, and (ii) any agreements which are stated to supersede any of the agreements referred to in paragraph (i) with respect to the payment obligations referred to in such agreements referred to in paragraph (i); *provided* that the maximum amount of the AerCap Secured Obligations shall be limited to an amount to be specified in the New Notes Indenture expected to be approximately US$105 million, provided further that each payment of an AerCap Secured Obligation under or in respect of the Relevant Leases after the Closing Date shall permanently reduce such amount (such amount as so reduced from time to time, the "AerCap Secured Obligations Cap"). For the purposes of the definition of "Permitted First Priority Secured Debt," all of the AerCap Secured Obligations shall be deemed to have been incurred prior to the Closing Date.

"AerCap Secured Obligations Cap" has the meaning specified in the definition of AerCap Secured Obligations.

"Affiliate" means, as to any Person, any other Person which directly or indirectly is in control of, or is controlled by, or is under common control with, such Person. For purposes of this definition, a Person shall be deemed to be "controlled by" another Person, if such controlling person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise; *provided* that Walkers Fiduciary Limited shall not be an Affiliate of the Issuer or the IP Parties.

"Aircraft Financing" means (i) any indebtedness, guarantee, finance lease, operating lease, sale and lease back or other financing arrangements (including any bonds, debentures, notes or similar instruments) in respect of or secured by engines, spare parts, aircraft, airframes or appliances, parts, components, instruments, appurtenances, furnishings or other equipment installed on such engines, spare parts, aircraft, airframes or any other related assets, (ii) any financing arrangements assumed or incurred in connection with the acquisition, construction (including any pre-delivery payments in connection with such acquisition or construction), modifications or improvement of any engines, spare parts, aircraft, airframes or appliances, parts, components, instruments, appurtenances, furnishings or other equipment installed on such engines, spare parts, aircraft, airframes or any other related assets, and (iii) extensions, renewals and replacements of such financing arrangements under clauses (i) and (ii); provided that, in each case under clauses (i), (ii) or (iii), such financing arrangement, if secured, is secured on a usual and customary basis (which may include the collateralization thereof with cash, Cash Equivalents or letters of credit) as determined by the Parent Guarantor or any of its Subsidiaries in good faith for such financing arrangement or Indebtedness in respect of engines, spare parts, aircraft, airframes or appliances, parts, components, instruments, appurtenances, furnishings, other equipment installed on such engines, spare parts, aircraft, airframes or any other related assets.

"Airline Intellectual Property" means the intellectual property of the Parent Guarantor and its Subsidiaries, as described in the relevant Initial Appraisal.

"Airport Authority" means any city or any public or private board or other body or organization chartered or otherwise established for the purpose of administering, operating or managing airports or related facilities which, in each case, is an owner, administrator, operator or manager of one or more airports or related facilities.

"Allocable Share" means, subject in all respects to the Intercreditor Agreement as to priority with respect to the Shared Collateral, with respect to a series of New Notes, on any date of determination, the proportion equal to (a) the aggregate outstanding principal amount of such series of New Notes as of such date of determination divided by (b) the aggregate outstanding principal amount of all series of New Notes as of such date of determination. For the avoidance of doubt, at any time that a series of New Notes is the only series of New Notes outstanding, the Allocable Share of such series of New Notes shall be 100%.

"Allocation Date" means, with respect to any Distribution Date, the Business Day that is five Business Days prior to such Distribution Date.

"Allocation Date Statement" means a statement delivered to the Brazilian Collateral Agent by the Company indicating the Required Payments for the next Distribution Date.

"Annual Appraisal" has the meaning set forth in "Certain Covenants—Financial Statements and Other Reports".

"Anticipated Designated Azul Cargo Credit Card and Debit Card Receivables" has the meaning set forth under "—Certain Covenants—Azul Cargo Collateral."

"Anticipated Designated Azul Viagens Credit Card and Debit Card Receivables" has the meaning set forth under "—Certain Covenants—TudoAzul and Azul Viagens Receivables; Receivables Coverage Obligations."

"Anticipated Designated TudoAzul Credit Card and Debit Card Receivables" has the meaning set forth under "—Certain Covenants—TudoAzul and Azul Viagens Receivables; Receivables Coverage Obligations."

"Anticipation" means anticipating (*antecipação*), factoring, discounting or otherwise accelerating or bringing forward the scheduled payment of any receivables (including doing so through discounting or the payment of finance costs in connection therewith).

"Applicable Collateral Representative" means the Representative or Collateral Agent to whom any Lien on Shared Collateral has been legally granted, giving such person the right to enforce such Lien against other parties.

"Appraisal" means one or more appraisal reports in respect of one or more appraisals of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and any Additional Collateral by an Approved Appraisal Firm (and not, for the avoidance of doubt, including the Azul Cargo Business), which appraisals are prepared using a methodology and form of presentation consistent in all material respects with the methodology and form of presentation of the appraisals included in this Offering Memorandum (or with such deviations, including as to the discount rate, terminal growth rate, discount for lack of marketability and royalty rate charge, as are consistent with market practice for businesses or assets of such type in a manner as determined by the Parent Guarantor in good faith). It is acknowledged and agreed that the Appraisals are intended to be a measure of the value of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and any Additional Collateral and does not reflect the value of the assets and property that comprise the Shared Collateral.

"Approved Appraisal Firm" means each of (i) MBA Aviation, BK Associates, BDO, Duff & Phelps, LLC, and in each case any successor of the valuation business of such firms, and (ii) any other nationally or internationally recognized independent appraiser with that would be reasonably regarded as a peer firm of any of the Persons referred to in (i).

"Assigned Azul Viagens Agreements" means, on any date, each Azul Viagens Agreement the receivables under which are subject to the Azul Viagens Fiduciary Assignment.

"Assigned Azul Viagens Receivables" means (i) receivables arising under the Assigned Viagens Agreements and (ii) the Designated Azul Viagens Credit Card and Debit Card Receivables.

"Assigned TudoAzul Agreements" means, on any date, each TudoAzul Agreement the receivables under which are subject to the TudoAzul Fiduciary Assignment.

"Assigned TudoAzul Receivables" means (i) receivables arising under the Assigned TudoAzul Agreements and (ii) the Designated TudoAzul Credit Card and Debit Card Receivables.

"Azul Brand IP" has the meaning set forth in "Description of Collateral."

"Azul Brand License" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"Azul Brand Suspension Event" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"Azul Brand Termination Event" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"Azul Cargo Business" means the business of providing cargo transportation services (whether on dedicated freighter flights or utilizing the cargo hold capacity of passenger flights) which is operated, owned or controlled, directly or indirectly, by the Parent Guarantor or any of its Subsidiaries, or principally associated with the Parent Guarantor or any of its Subsidiaries, in each case, as in effect from time to time, whether under the "Azul Cargo" name or otherwise, in each case including any similar or successor business. For the avoidance of doubt, the Azul Cargo Business does not include the transportation of passenger baggage or excess baggage as part of the transportation of airline passengers.

"Azul Cargo Collateral" means the assets that are subject to Liens created by the Azul Cargo Collateral Documents as described under "Description of Collateral—Azul Cargo Collateral".

"Azul Cargo Collateral Documents" means, collectively, (i) the Azul Cargo Fiduciary Assignment, (ii) a control agreement over the Azul Cargo Receivables Deposit Account, governed by Brazilian law; (iii) the Azul Cargo Intellectual Property Fiduciary Transfer; (iv) the Azul Cargo Intercreditor Agreement; and (v) any other agreements, instruments or documents that create or purport to create a Lien in the Azul Cargo Collateral in favor of the Trustee, a Collateral Agent, any other collateral agent or representative for the benefit of the Azul Cargo Priority Secured Debt and the Notes Secured Parties, in each case, as may be amended and restated from time to time, and so long as such agreement, instrument or document shall not have been terminated in accordance with its terms.

"Azul Cargo Collateral Sharing Trigger Date" means the first date on which any Permitted Azul Cargo Financing Liens over any Azul Cargo Collateral are granted to secure any Azul Cargo Priority Secured Debt.

"Azul Cargo Domain Names" means all domain names registered in Brazil that, in each case, are owned by the Parent Guarantor or any of its Subsidiaries on the Closing Date and, in each case, include each of the words "Azul" and "Cargo," including the "azulcargo.com.br" and "azulcargoexpress.com.br" domain names, together with certain other domain names registered in Brazil exclusively used by the Azul Cargo Business and set forth in the Azul Cargo Intellectual Property Fiduciary Transfer, which includes a complete list of the Azul Cargo Domain Names.

"Azul Cargo Fiduciary Assignment" means a fiduciary assignment (*cessão fiduciária*) in respect of (i) the Designated Azul Cargo Credit Card and Debit Card Receivables, and (ii) the Azul Cargo Receivables Deposit Account, governed by Brazilian law.

"Azul Cargo Intellectual Property" means the Azul Cargo Trademarks and the Azul Cargo Domain Names. For the avoidance of doubt, the Azul Cargo Intellectual Property excludes the Contributed Intellectual Property.

"Azul Cargo Intellectual Property Fiduciary Transfer" means the fiduciary transfer (*alienação fiduciária*) in respect of the Azul Cargo Intellectual Property.

"Azul Cargo Intercreditor Agreement" has the meaning set forth under "—Description of Collateral Documents— Shared Azul Cargo Collateral and Azul Cargo Intercreditor Agreement."

"Azul Cargo Priority Secured Debt" means any Indebtedness (other than Indebtedness under the New Notes and the New Notes Guarantees) of the Parent Guarantor or any of its Subsidiaries that is secured by Permitted Azul Cargo Financing Liens on all or any part of the Azul Cargo Collateral.

"Azul Cargo Priority Secured Debt Documents" means each financing agreement evidencing Azul Cargo Priority Secured Debt and the related financing documents executed in connection therewith.

"Azul Cargo Receivables Deposit Account" means the relevant account described in the Azul Cargo Fiduciary Assignment in the name of Azul Linhas in Brazilian *reais* maintained in Brazil and subject to the Azul Cargo Fiduciary Assignment and an Account Control Agreement (under the sole dominion and control of the Account Bank under the direction of the Brazilian Collateral Agent).

"Azul Cargo Trademarks" means all trademarks registered in Brazil that, in each case, are owned by the Parent Guarantor or any of its Subsidiaries on the Closing Date and, in each case, include each of the words "Azul" and "Cargo," together with certain other trademarks registered in Brazil exclusively used by the Azul Cargo Business and set forth in the Azul Cargo Intellectual Property Fiduciary Transfer, which includes a complete list of the Azul Cargo Trademarks.

"Azul Linhas Freeflow Account" means an unrestricted account of Azul Linhas maintained in Brazil.

"Azul Other IP" has the meaning set forth in "Description of Collateral."

"Azul Other IP License" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"Azul Traveler Data" means (i) data generated, produced or acquired as a result of the issuance, modification or cancellation of customer tickets from the Parent Guarantor or any of its Subsidiaries or for flights on any airline operated by the Parent Guarantor or any of its Subsidiaries, including data in or derived from "passenger name records" (including name and contact information) associated with flights, (ii) payment-related information (other than payment-related information relating solely to the TudoAzul Program (such as the purchase of Points)), and (iii) data that relates to a customer's flight-related experience, but excluding in the case of clause (i) information that would not be generated, produced or acquired in the absence of the TudoAzul Program (including Clube TudoAzul) or any other Loyalty Program; *provided* that, for the avoidance of doubt, customer name, contact information (including name, mailing address, email address, and phone numbers), passport information, government identification document information, Tax or other personal identification numbers, customer login to the Azul.com.br website or any successor website and any Azul mobile applications and communication consent preferences (as described in clause (ii) of "Member Profile Data") are included in both TudoAzul Customer Data and the Azul Traveler Data; *provided* that the foregoing communication consent preferences are not specific to the TudoAzul Program (it being understood that if such communication consent preferences are specific to the TudoAzul Program they shall exclusively be TudoAzul Customer Data).

"Azul Viagens Agreements" means any currently existing or future co-branding, partnering or other receivables-generating agreements with third parties entered into by the Parent Guarantor or any of its Subsidiaries in connection with the Azul Viagens Business, including any amendment thereof and any other agreement entered into with the same party in substitution for, or supplementary to, the existing agreements, and all related ancillary documents, emails and agreements.

"Azul Viagens Business" means any Travel Package Business which is operated, owned or controlled, directly or indirectly, by the Parent Guarantor or any of its Subsidiaries, or principally associated with the Parent Guarantor or any of its Subsidiaries, in each case, as in effect from time to time, whether under the "Azul Viagens" name or otherwise, in each case including any similar or successor travel or vacation business, but excluding any Permitted Acquisition Travel Package Business.

"Azul Viagens Fiduciary Assignment" means the fiduciary assignment (*cessão fiduciária*) in respect of (i) the receivables under the Assigned Azul Viagens Agreements, (ii) the Designated Azul Viagens Credit Card and Debit Card Receivables, and (iii) the Azul Viagens Receivables Deposit Account, governed by Brazilian law.

"Azul Viagens Freeflow Account" means an unrestricted account of Azul Viagens maintained in Brazil.

"Azul Viagens Gross Billings" in any Quarterly Reporting Period means the total amount, calculated in Brazilian *reais*, of all amounts billed, invoiced or otherwise charged to customers or business partners by the Azul Viagens Business, in such Quarterly Reporting Period, minus any reversals in such amounts billed, invoiced or otherwise charged in respect of such Quarterly Reporting Period.

"Azul Viagens Receivables Deposit Account" means the relevant account described in the Azul Viagens Fiduciary Assignment in the name of Azul Viagens in Brazilian *reais* maintained in Brazil and subject to the Azul Viagens Fiduciary Assignment and an Account Control Agreement (under the sole dominion and control of the Account Bank under the direction of the Brazilian Collateral Agent).

"Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. Section 101 et seq.

"Bankruptcy Event of Default" means any Event of Default described in clause (5) or (6) of the definition thereof.

"Bankruptcy Law" means the Bankruptcy Code or any similar federal, state or foreign law relating to reorganization, arrangement, adjustment, winding-up, liquidation (including provisional liquidation), restructuring, dissolution, composition or other debtor relief, including, without limitation, Part V of the Companies Act (as revised) of the Cayman Islands and the Companies Winding Up Rules (as revised) of the Cayman Islands, each as revised or amended from time to time, the Brazilian Bankruptcy Law (including, without limitation, the rules that relate to any judicial reorganization, restructuring, liquidation (including provisional liquidation) extrajudicial reorganization, bankruptcy liquidation or ancillary injunctive relief requests), as revised or amended from time to time, and any bankruptcy, insolvency, winding up, reorganization or similar law enacted under the laws of the Cayman Islands, Brazil or any other applicable jurisdiction.

"Blocked Account" means, individually or collectively as the context may require, the USD Blocked Account and the BRL Blocked Account.

"Blocked Pre-paid Points Purchase" has the meaning set forth under "—Certain Covenants—Blocked Pre-paid Points Purchase."

"Board of Directors" means:

(1) with respect to a corporation or an exempted company, the board of directors of the corporation or exempted company, as applicable, or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general or managing partner of the partnership, or a shareholders of the general or managing partner of the partnership, or in each case, any committee thereof;

(3) with respect to a limited liability company, the managing member or members, manager or managers or any controlling committee of managing members or managers thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"Brand Case Milestones Termination Event" means during any time when any Obligor is subject to a proceeding under chapter 11 of the Bankruptcy Code (*provided* that, if Azul Linhas is not such Obligor, Azul Linhas is also subject to such a proceeding at such time), any of clause (f), (h) or (i) of the definition of "Chapter 11 Case Milestones" are not met or complied with, as applicable, with respect to any IP License or at the conclusion of such proceeding under chapter 11 of the Bankruptcy Code, Azul Linhas has not assumed the Sublicense and, to the extent applicable, IP HoldCo has assumed the Head License.

"Brazilian Collateral Documents" means the Collateral Documents governed by Brazilian law.

"Brazilian Bankruptcy Law" means Law No. 11,101, dated February 9, 2005, as amended, including by Law No. 14,112, dated December 24, 2020 (or any successor law).

"BRL Blocked Account" means the account described in the relevant Fiduciary Assignment and the relevant Account Control Agreement in the name of the Azul Linhas in Brazilian *reais* maintained in Brazil and subject to such Fiduciary Assignment and such Account Control Agreement (under the sole dominion and control of the Account Bank under the direction of the Brazilian Collateral Agent and with permission to hold balances through investments in Cash Equivalents).

"BRL Collateral Account" means the account described in the relevant Fiduciary Assignment and the relevant Account Control Agreement in the name of the Parent Guarantor in Brazilian *reais* maintained in Brazil and subject to such Fiduciary Assignment and such Account Control Agreement (under the sole dominion and control of the Account Bank under the direction of the Brazilian Collateral Agent) into which amounts from the Collection Accounts are to be transferred on each Post-Default Distribution Date when a Remedies Direction has been given and remains in effect.

"BRL First Priority Secured Debt" means First Priority Secured Debt that is denominated in Brazilian *reais* and the AerCap Secured Obligations.

"BRL Payment Account" means the account described in the relevant Fiduciary Assignment and the relevant Account Control Agreement in the name of the Parent Guarantor in Brazilian *reais* maintained in Brazil and subject to such Fiduciary Assignment and such Account Control Agreement (under the sole dominion and control of the Account Bank under the direction of the Brazilian Collateral Agent) into which amounts from the Collection Accounts are to be transferred in the Lockbox Structure when no Remedies Direction has been given and remains in effect.

"BRL Pro Rata Share" mean, with respect to amounts in a Payment Account or a Collection Account, a fraction the numerator of which is the aggregate principal amount of all Series of BRL First Priority Secured Debt (which shall be deemed to include the AerCap Secured Obligations) then outstanding and the denominator of which is sum of the aggregate principal amounts of all Series of First Priority Secured Debt then outstanding.

"BRL Required Payments" means the amounts necessary to satisfy in full all obligations then due and payable under clauses (1) through (5) of the BRL Payment Waterfall.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in (i) New York City, (ii) the City of São Paulo, and (iii) each other city in which the corporate trust office of the Trustee or the head office of any Collateral Agent is located (in each case, as set forth in the Intercreditor Agreement, as such locations may be updated pursuant to the Intercreditor Agreement) are required or authorized to remain closed.

"Capital Lease Obligations" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized and reflected as a liability on a balance sheet prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"Capital Stock" means, with respect to any Person, any and all shares, shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting) such Person's equity, including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"Cash Control" means to instruct the applicable Account Bank that amounts in the Collection Accounts must be transferred to the BRL Collateral Account and held as Shared Collateral for the Secured Obligations until such time as the Controlling Creditors shall provide other instructions in accordance with the Intercreditor Agreement.

"Cash Equivalents" means (x) in the case of U.S. dollars and accounts located in the United States, any or all of the following:

(1) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one year from the date of acquisition thereof;

(2) direct obligations of state and local government entities, in each case maturing within one year from the date of acquisition thereof, which have a rating of at least A- (or the equivalent thereof) from S&P, A3 (or the equivalent thereof) from Moody's or A- (or the equivalent thereof) from Fitch;

(3) obligations of domestic or foreign companies and their subsidiaries (including, without limitation, agencies, sponsored enterprises or instrumentalities chartered by an Act of Congress, which are not backed by the full faith and credit of the United States), including, without limitation, bills, notes, bonds, debentures, and mortgage-backed securities, in each case maturing within one year from the date of acquisition thereof;

(4) Investments in commercial paper maturing within 365 days from the date of acquisition thereof and having, at such date of acquisition, a rating of at least A-2 (or the equivalent thereof) from S&P, P-2 (or the equivalent thereof) from Moody's or F2 (or the equivalent thereof) from Fitch;

(5) Investments in certificates of deposit (including Investments made through an intermediary, such as the certificated deposit account registry service), banker's acceptances, time deposits, eurodollar time deposits and overnight bank deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any other commercial bank of recognized standing organized under the laws of the United States or any State thereof that has a combined capital and surplus and undivided profits of not less than US$250.0 million;

(6) fully collateralized repurchase agreements with a term of not more than six months for underlying securities that would otherwise be eligible for investment;

(7) Investments in money in an investment company registered under the Investment Company Act of 1940, as amended, or in pooled accounts or funds offered through mutual funds, investment advisors, banks and brokerage houses which invest its assets in obligations of the type described in clauses (1) through (6) above. This could include, but not be limited to, money market funds or short-term and intermediate bonds funds;

(8) money market funds that (A) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (B) are rated AAA (or the equivalent thereof) by S&P, Aaa (or the equivalent thereof) by Moody's or AAA (or the equivalent thereof) from Fitch and (C) have portfolio assets of at least US$5.0 billion;

(9) deposits available for withdrawal on demand with commercial banks organized in the United States having capital and surplus in excess of US$100.0 million;

(10) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A- by S&P, A3 by Moody's or A- (or the equivalent thereof) from Fitch; and

(11) any other securities or pools of securities that are classified under IFRS as cash equivalents or short-term investments on a balance sheet;

and

(y) in the case of Brazilian *real*, and accounts located in Brazil,

means:

(1) Brazilian *real*, U.S. dollars, or money in other currencies received in the ordinary course of business that are readily convertible into U.S. dollars;

(2) securities issued or directly and fully guaranteed or insured by the United States or the Brazil governments or any agency or instrumentality of the United States or Brazil governments (*provided* that the full faith and credit of the United States or Brazil, as the case may be, is pledged in support of those securities) either having maturities of not more than 12 months from the date of acquisition;

(3) (i) demand deposits, (ii) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (iii) bankers' acceptances with maturities not exceeding one year from the date of acquisition, and (iv) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of the Republic of Brazil or any political subdivision thereof or the United States or any state thereof having capital, surplus and undivided profits in excess of US$500.0 million whose long-term debt is rated "A-2" or higher by Fitch or S&P or "P-2" or higher by Moody's (or such similar equivalent rating) by at least one nationally recognized statistical rating organization (as defined under Rule 436 of the Securities Act);

(4) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper rated A-1 or higher by Fitch or S&P or P-1 or higher by Moody's (or such similar equivalent rating) and maturing no later than one year after the date of acquisition; and

(6) money market funds at least 95% of the assets of which consist of investments of the type described in clauses (1) through (5) above.

"Cayman Equitable Share Mortgages" means the equitable share mortgages over (i) shares in IP Co, dated the Closing Date between IP HoldCo and the U.S. Collateral Agent and (ii) shares in IP HoldCo, dated the Closing Date, between each of (a) Azul Linhas (b) IntelAzul S.A. and (c) Azul Viagens and the U.S. Collateral Agent, each for the benefit of the Secured Parties.

"Change of Control" means the occurrence of either a "Specified Obligor Change of Control" or a "Parent Change of Control" as applicable.

"Chapter 11 Case Milestones" means that, during any time that any Obligor (each a "Chapter 11 Debtor") is subject to a proceeding under chapter 11 of the Bankruptcy Code (*provided* that, if Azul Linhas is not such Obligor, Azul Linhas is also subject to such a proceeding at such time):

(a) the Obligors shall continue to perform its respective obligations under the Transaction Documents and there shall be no material interruption in the flow of funds under such Transaction Documents (including the use of the Collection Accounts to receive payments as contemplated by the Transaction Documents) in accordance with the terms thereunder (in each case other than any payment default in respect of principal under any of the Transaction Documents that has become due as a result of a Bankruptcy Automatic Acceleration); *provided*, that (i) the performance by the Obligors under this clause (a) shall in all respects be subject to any applicable materiality qualifiers, cure rights and/or grace periods provided for under the respective Transaction Documents, and (ii) the Obligors shall have 45 days from the Petition Date to cure any failure to perform that requires court authorization to perform;

(b) the Chapter 11 Debtors shall file with the applicable U.S. bankruptcy court (the "Bankruptcy Court"), within ten days of the date of petition in respect of such proceeding under chapter 11 of the Bankruptcy Code (the "Petition Date"), a customary and reasonable motion to assume all Transaction Documents to which such Chapter 11 Debtors are a party under section 365 of the Bankruptcy Code (the "Assumption Motion"), and shall thereafter pursue (including by contesting any objections to) the approval of the Assumption Motion;

(c) the Bankruptcy Court shall have entered a customary and reasonable final order (the "Assumption Order") granting the Assumption Motion, within 60 days after the Petition Date, and such Assumption Order shall not be amended, stayed, vacated, or reversed;

(d) the parties agree and acknowledge that the Assumption Motion and Assumption Order shall be customary and reasonable and the Assumption Order shall provide, among other things, that: (i) the Chapter 11 Debtors are

authorized to assume and perform all obligations under the applicable Transaction Documents and implement actions contemplated thereby and, pursuant to the Assumption Order, will assume such Transaction Documents pursuant to section 365 of the Bankruptcy Code; (ii) such Transaction Documents are binding and enforceable against the parties thereto in accordance with their terms, without exception or amendment; (iii) any amounts payable under such Transaction Documents are actual and necessary costs and expenses of preserving the Chapter 11 Debtors' estates and shall be entitled to priority as an allowed administrative expenses of the Chapter 11 Debtors pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code; (iv) the Chapter 11 Debtors must cure any defaults under such Transaction Documents as a condition to assumption; and (v) the Chapter 11 Debtors are authorized to take any action necessary to implement the terms of the Assumption Order;

(e) each of the Chapter 11 Debtors and each other Obligor (i) shall not take any action to materially interfere with the assumption of the applicable Transaction Documents, or support any other Person to take any such action; and (ii) shall take all steps commercially reasonably necessary, to contest any action that would materially interfere with the assumption of such Transaction Documents, including, without limitation, litigating any objections and/ or appeals;

(f) each of the Chapter 11 Debtors and each other Obligor (i) shall not file any motion seeking to avoid, reject, disallow, subordinate, or recharacterize any obligation under the applicable Transaction Documents or support any other person to take any such action and (ii) shall take all steps commercially reasonably necessary, to contest any action that would seek to avoid, reject, disallow, subordinate, or recharacterize any obligation under such Transaction Documents, including, without limitation, litigating any objections and/or appeals;

(g) in the event there is an appeal of the Assumption Order, the Chapter 11 Debtors shall pursue a court order requiring any appellants to post a cash bond in an amount equal to US$50 million, to an account held solely for the sole benefit of the Secured Parties;

(h) the proceeding under chapter 11 under the Bankruptcy Code shall not, and is not converted into, a case under chapter 7 of the Bankruptcy Code; and

(i) each of any plan of reorganization filed or supported by any Chapter 11 Debtor and the plan of reorganization shall either (i) expressly provide for assumption of the Transaction Documents to which such Chapter 11 Debtor is party and reinstatement or replacement of each of the related guarantees, subject to applicable cure periods or (ii) provide that the New Notes are paid in full in cash on the effective date of the plan of reorganization.

For the avoidance of doubt, notwithstanding the foregoing, during the pendency of and following any stay or appeal of the Assumption Order, the Obligors must continue to perform all obligations under the Transaction Documents, including making any and all payments under the Transaction Documents in accordance with the terms thereof and as described above (in each case other than any payment default under any of the Transaction Documents as a result of a Bankruptcy Automatic Acceleration) and, in the event of any such payment default (subject to any applicable cure or grace periods under the applicable Transaction Documents and except as provided above), nothing shall limit any of the Holders', the Trustee's or any Collateral Agent's rights and remedies including but not limited to any termination rights under the Transaction Documents.

"Closing Date" means the date of original issuance of the New Notes. The Closing Date is also referred to as the "first Settlement Date" in certain other sections of this Offering Memorandum, which would be the only Settlement Date if the Existing Notes Issuer does not elect to have an Early Settlement Date.

"Closing Date Active Travel Agent Counterparties" means any travel agent to whom the Azul Viagens Business has billed, invoiced or otherwise charged more than a *de minimis* amount in the last twelve months prior to the Closing Date.

"Closing Date Assigned Azul Viagens Agreement" means the Azul Viagens Agreement entered into by Azul Linhas with Aymoré Crédito, Financiamento e Investimento S.A.

"Closing Date Assigned TudoAzul Agreements" means the TudoAzul Agreements entered into by Azul Linhas with (i) Caixa Econômica Federal, (ii) Banco Itaucard S.A. and IUPP S.A., (iii) Livelo S.A. and (iv) Banco Santander (Brasil) S.A. and Esfera Fidelidade S.A.

"Clube TudoAzul" means the subscription-based product of the Parent Guarantor or any of its Subsidiaries through which members pay a recurring amount per month in exchange for Points, access to promotions and other benefits which is operated, owned or controlled, directly or indirectly, by the Parent Guarantor or any of its Subsidiaries, as in effect from time to time, whether under the "Clube TudoAzul" name or otherwise, in each case including any similar or successor products, services or programs.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means the Shared Collateral and the Azul Cargo Collateral.

"Collateral Account" means, individually or collectively as the context may require, the USD Collateral Account and the BRL Collateral Account.

"Collateral Agent" means each of the U.S. Collateral Agent and the Brazilian Collateral Agent.

"Collateral Documents" means, collectively, (i) the New Notes Indenture, any Account Control Agreements, the Security Agreement, each IP Security Agreement, each Brazilian Collateral Document, the Cayman Equitable Share Mortgages, the Intercreditor Agreement and other agreements, instruments or documents that create or purport to create a Lien in the Shared Collateral in favor of a Collateral Agent for the benefit of the Secured Parties or the Trustee for the benefit of the Notes Secured Parties, in each case, as may be amended and restated from time to time, and so long as such agreement, instrument or document shall not have been terminated in accordance with its terms, and (ii) the IP Agreements in respect of (A) the rights of the U.S. Collateral Agent thereunder and (B) the rights of any IP Party thereunder after any exercise of remedies over the shares of such IP Party.

"Collateral Sale" means the Disposition of any Shared Collateral.

"Collection Account" means, individually or collectively as the context may require, (i) the TudoAzul Receivables Deposit Account, and (ii) the Azul Viagens Receivables Deposit Account.

"Competitor" means (i) any person operating a commercial passenger air carrier business, a Loyalty Program or a Travel Package Business, (ii) any other person that competes with the business of the Parent Guarantor or any of its respective Subsidiaries, and (iii) any affiliate of any person described in clause (i) or (ii) (other than any affiliate of such person under common control with such person, which affiliate is not actively involved in the management and/or operations of such person).

"Consolidated Net Income" means, for any period, the aggregate net income (or loss) of the Parent Guarantor and its Subsidiaries for such period determined on a consolidated basis in conformity with IFRS.

"Consolidated Total Assets" means, as of any date of determination, the total assets of the Parent Guarantor and its Subsidiaries as of such date determined on a consolidated basis in conformity with IFRS.

"Contingent Payment Event" means any indemnity, termination payment or liquidated damages under a TudoAzul Agreement or an Azul Viagens Agreement.

"Contributed Intellectual Property" has the meaning set forth in "Description of Collateral."

"Contributing Party" has the meaning set forth in "Description of Certain Material Transaction Agreements—Contribution Agreements."

"Contribution Agreements" has the meaning set forth in "Description of Certain Material Transaction Agreements—Contribution Agreements."

"Controlled Accounts" means the Collection Accounts, the Payment Accounts, the Blocked Account, and the Collateral Accounts.

"Controlling Creditors" means (a) with respect to any Remedies Action other than Specified Rights, (i) prior to the Majority New Notes Collateral Enforcement Date, the Required First Priority Debtholders and (ii) after the Majority New Notes Collateral Enforcement Date, the Majority New Noteholders, (b) with respect to Specified

Rights at any time, the Majority Total Debtholders, and (c) with respect to Cash Control, any Representative when an Event of Default has occurred and is continuing in respect of Secured Debt for which such Person is Representative.

"Convertible Debentures" means the convertible debentures (ISIN:BRAZULDBP005) issued by the Parent Guarantor pursuant to an indenture (*escritura de emissão de debêntures*) governing the Convertible Debentures (as amended, amended and restated, supplemented or otherwise modified from time to time) that is governed by Brazilian law. For the avoidance of doubt, for the purposes of the definition of "Permitted First Priority Secured Debt," all of the Indebtedness under the Convertible Debentures prior to the Closing Date shall be deemed to have been incurred prior to the Closing Date notwithstanding the Convertible Debentures Amendments to be effected on or prior to the Closing Date.

"Corporate Trust Office" shall be at the address of the Trustee, specified in the New Notes Indenture or such other address as to which the Trustee may give notice to the Holders of the New Notes and the Issuer.

"Currency" means points, miles and/or other units that are a medium of exchange constituting a convertible, virtual, and private currency that is tradable property and that can be sold or issued to Persons.

"Currency Conversion Rate" means the PTAX Rate on (a) for purposes of the Payment Waterfalls, each Allocation Date, and (b) for purposes of the Post-Default Waterfalls, the date that is two Business Days before the applicable Post-Default Distribution Date.

"CVM" means the Brazilian Securities Commission (*Comissão de Valores Mobiliários*).

"Data Protection Laws" means all laws, rules and regulations applicable to each Obligor or any of their respective Subsidiaries regarding privacy, data protection and data security, including with respect to the collection, storage, transmission, transfer (including cross-border transfers), processing, encryption, security, safeguarding, loss, disclosure and use of Personal Data (including Personal Data of employees, contractors, customers, loan applicants and third parties), Online Tracking Data, and email and mobile communications, including any approvals or notices required in connection therewith.

"Day Count Fraction" means the number of days elapsed in such period on a 30/360 basis.

"Debt Service Coverage Ratio" means, with respect to any determination date, the ratio obtained by dividing (i) the sum of (x) the aggregate amount of all amounts deposited to the Collection Accounts (including any Points Allocation Release Amounts deposited into the TudoAzul Receivables Deposit Account) during the four most recently completed Quarterly Reporting Periods, provided that, with respect to amounts deposited into the Azul Viagens Receivables Deposit Account, such amounts shall be included net of the related cost of goods sold and commissions, minus any Voluntary Contributions, plus (y) cure amounts (if available under any Permitted First Priority Secured Debt) deposited to the Collection Accounts (including any Points Allocation Release Amounts deposited into the TudoAzul Receivables Deposit Account) during such four most recently completed Quarterly Reporting Periods by (ii) all cash interest paid or required to be paid on Secured Debt (including the New Notes) during the four most recently completed Quarterly Reporting Periods. The Debt Service Coverage Ratio shall be calculated by (A) converting the amounts deposited to the Collection Accounts (including any Points Allocation Release Amounts deposited into the TudoAzul Receivables Deposit Account) in any Quarterly Reporting Period from Brazilian r*eais* into U.S. dollars using the average PTAX Rate over such Quarterly Reporting Period (calculated by aggregating the PTAX Rates for each day such rate was published during the applicable Quarterly Reporting Period divided by the number of days in such Quarterly Reporting Period for which the PTAX Rate was published) and (B) the conversion of Secured Debt from Brazilian *reais* into U.S. dollars utilizing the PTAX Rate as of the last Business Day of the most recently completed Quarterly Reporting Period.

"Deeds of Undertaking" means (i) the deed of undertaking to be entered into on or about the Closing Date among IP Co, IP HoldCo, the U.S. Collateral Agent and Walkers Fiduciary Limited and (ii) the deed of undertaking to be entered into on or about the Closing Date among IP HoldCo, the Parent Guarantor, the U.S. Collateral Agent and Walkers Fiduciary Limited.

"Default" means any event that, unless cured or waived, is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Designated Azul Cargo Credit Card and Debit Card Receivables" has the meaning set forth under "—Certain Covenants—Azul Cargo Collateral."

"Designated Azul Viagens Credit Card and Debit Card Receivables" has the meaning set forth under "—Certain Covenants—TudoAzul and Azul Viagens Receivables; Receivables Coverage Obligations."

"Designated TudoAzul Credit Card and Debit Card Receivables" has the meaning set forth under "—Certain Covenants—TudoAzul and Azul Viagens Receivables; Receivables Coverage Obligations."

"Discharge of First Priority Secured Obligations" means the irrevocable payment in full in cash of the principal of and interest (including interest and other amounts accruing (or which would, absent the commencement of an insolvency proceeding, accrue) on or after the commencement of any insolvency proceeding, whether or not such interest would be allowed in such insolvency proceeding), premium, and all other amounts due and owing with respect to all indebtedness outstanding under the First Priority Secured Debt Documents (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations) whether or not such amounts are disallowed vis-a-vis the Obligors.

"Disposition" means, with respect to any property, any sale, lease, sale and leaseback, conveyance, transfer, license or other disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Distribution Date" means any date on which interest, principal or premium is due and payable under one or more Series of Secured Debt.

"Disqualified Capital Stock" means that portion of any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale), is convertible or exchangeable for Indebtedness or Disqualified Capital Stock, or is redeemable at the option of the holder of the Capital Stock, in whole or in part (other than as a result of a change of control or asset sale), on or prior to the date that is 91 days after the last date on which the New Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Capital Stock solely because the holders of the Capital Stock have the right to require the Parent Guarantor or any of its Subsidiaries to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Capital Stock if the terms of such Capital Stock provide that the Parent Guarantor or any of its Subsidiaries may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments."

"DTC" means The Depository Trust Company.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Equity Collateral" means, collectively, (i) a pledge and security agreement in respect of the partnership interests owned by Azul Linhas in the Issuer, governed by Delaware law; (ii) the Cayman Equitable Share Mortgages governed by Cayman Islands law, (iii) the fiduciary transfer (*alienação fiduciária*) by the Parent Guarantor of 100% of the equity interests of IntelAzul, governed by Brazilian law, and (iv) the fiduciary transfer (*alienação fiduciária*) by the Parent Guarantor of 100% of the equity interests of Azul Viagens, governed by Brazilian law.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Parent Guarantor the relevant Subsidiary of the Parent Guarantor; provided that the Board of Directors of the

Parent Guarantor or the relevant Subsidiary of the Parent Guarantor shall be permitted to consider the circumstances existing at such time (including, without limitation, economic or other conditions affecting the airline industry generally and any relevant legal compulsion, judicial proceeding or administrative order or the possibility thereof) in determining such Fair Market Value in connection with such transaction.

"Fiduciary Assignment" means a fiduciary assignment (*cessão fiduciária*) governed by Brazilian law.

"First Priority Secured Debt" means each of (i) the AerCap Secured Obligations, (ii) the Convertible Debentures and (iii) each series of Additional First Priority Secured Debt.

"First Priority Secured Debt Documents" means the New Notes Documents and other Transaction Documents and each financing agreement evidencing Additional First Priority Secured Debt and the related financing documents executed in connection therewith governing the designation of Additional First Priority Secured Debt in accordance with the Intercreditor Agreement.

"First Priority Secured Debt Representative" means (a) in the case of the AerCap Secured Obligations, AerCap Administrative Services Limited, (b) in the case of the Convertible Debentures, and (c) in the case of any other First Priority Secured Debt, the trustee, agent or representative of the holders of such First Priority Secured Debt who maintains the transfer register for such Series of First Priority Secured Debt and (i) is appointed as a representative of the holders of such First Priority Secured Debt (for purposes related to the administration of the First Priority Secured Debt Documents) pursuant to the First Priority Secured Debt Documents, together with its successors in such capacity, and (ii) who has executed a joinder to the Intercreditor Agreement and such Indebtedness is governed by a credit agreement, note purchase agreement, indenture, debenture or other agreement that includes a confirmation of the sharing of Liens and priorities with the other First Priority Secured Debt.

"First Priority Secured Obligations" means, in each case, without duplication, (a) the First Priority Secured Debt and all other obligations (as such term or any similar or analogous term is defined in such First Priority Secured Debt Documents) in respect of First Priority Secured Debt, (b) any and all sums due and owing to any Collateral Agent, any First Priority Secured Debt Representative, and the Trustee, and (c) in the event of any proceeding for the collection or enforcement of the obligations described in clauses (a) and (b) above after a Remedies Direction has been provided (including any Remedies Action), the expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Shared Collateral, or of any exercise by any Collateral Agent of its rights under the Collateral Documents, together with any reasonable, documented, out-of-pocket attorneys' fees and court costs.

"First Priority Secured Parties" means the First Priority Secured Debt Representatives and the holders of First Priority Secured Obligations.

"Fitch" means Fitch, Inc., also known as Fitch Ratings, and its successors.

"Freeflow Account" means the Azul Linhas Freeflow Account and the Azul Viagens Freeflow Account.

"Governmental Authority" means the government of the United States of America, Brazil, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank organization, or other entity exercising executive, legislative, judicial, taxing or regulatory powers or functions of or pertaining to government. Governmental Authority shall not include any Person in its capacity as an Airport Authority.

"Grantor" means each Obligor that shall at any time pledge Shared Collateral under a Collateral Document.

"guarantee" means a guarantee (other than (i) by endorsement of negotiable instruments for collection or (ii) customary contractual indemnities, in each case in the ordinary course of business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions).

"Head License" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"Hedging Obligations" means, with respect to any Person, all obligations and liabilities of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates, fuel prices or other commodity prices, but excluding (x) clauses in purchase agreements and maintenance agreements pertaining to future prices and (y) fuel purchase agreements and fuel sales that are for physical delivery of the relevant commodity.

"Holder" means, in the case of the New Notes of the relevant series, a "noteholder," which means the Person in whose name a note is registered on the Registrar's books, which shall initially be the respective nominee of DTC.

"IFRS" means International Financial Reporting Standards as adopted by the International Accounting Standards Board which are in effect from time to time.

"incur" means to incur, create, issue, assume, guarantee or otherwise become liable for Indebtedness. The term "incurrence" when used as a noun shall have a correlative meaning. The accrual of interest, the accretion or amortization of original issue discount and the payment of regularly scheduled interest will not be deemed to be an incurrence of Indebtedness.

"Indebtedness" means, with respect to any specified Person, any indebtedness of such Person (excluding air traffic liability, accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing Capital Lease Obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed, but excluding in any event trade payables arising in the ordinary course of business; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with IFRS.

In addition, the term "Indebtedness" includes all Indebtedness of other Persons secured by a Lien on any assets of the Person specified in the first sentence of this definition (whether or not such Indebtedness is assumed by the specified Person), the amount of such Indebtedness being deemed to be the lesser of the value of such assets or the amount of the obligation so secured.

"Independent Director" means, at any time with respect to any IP Party, a director of such IP Party that (1) satisfies the Independent Director Criteria at such time and (2) is a duly appointed "Independent Director" under and as defined in the Specified Organizational document of such IP Party.

"Independent Director Criteria" means criteria that shall be satisfied only in respect of a natural person that (a) is a director who has prior experience as an independent director, independent manager or independent member with

at least three years of employment experience; (b) is provided by a company nationally recognized in the United States or the Cayman Islands for providing professional independent managers and directors, that is not an Affiliate of any Obligor or the U.S. Collateral Agent and that provides professional independent managers and directors and other corporate services in the ordinary course of its business, and which individual is duly appointed as an Independent Director; and (c) is not, and has never been, and will not while serving as Independent Director be, any of the following: (i) a member, partner, equityholder, manager, director, officer or employee of the Issuer or any of its equityholders, the U.S. Collateral Agent or any Affiliates of the foregoing (except immaterial equity ownership in Parent Guarantor or other than as an Independent Director of any IP Party or any other Affiliate of an IP Party that is required by a creditor to be a single purpose bankruptcy-remote entity, *provided* that such Person is employed by a company that routinely provides professional independent managers or directors); (ii) a creditor, supplier or service provider (including provider of professional services) to either IP Party, the U.S. Collateral Agent or any of their respective equityholders or Affiliates (other than a nationally recognized company that routinely provides professional independent managers and directors and other corporate services to the Issuer, the U.S. Collateral Agent or any of their respective equityholders or Affiliates in the ordinary course of business); (iii) a family member of any such member, partner, equityholder, manager, director, officer, employee, creditor, supplier or service provider; or (iv) a Person that controls (whether directly, indirectly or otherwise) any of clause (i), (ii) or (iii) above.

Any director who is an employee of Walkers Fiduciary Limited shall be deemed to meet the requirements of an "Independent Director" for purposes of this definition.

"Intellectual Property" means all patents and patent applications, registered trademarks or service marks and applications to register any trademarks or service marks, brand names, trade dress, know-how, registered copyrights and applications for registration of copyrights, Trade Secrets, domain names, social media accounts and other intellectual property, whether registered or unregistered, including unregistered copyrights in software and source code and applications to register any of the foregoing; *provided* that no TudoAzul Customer Data or Azul Traveler Data shall be deemed Intellectual Property.

"Intercompany Loan Agreements" means, at the option of the Issuer, either (a) (i) that certain loan agreement dated July 7, 2021 between the Existing Notes Issuer, as lender, and Azul Linhas, as borrower, as amended by a first amendment thereto on October 21, 2022, and as to be further amended by a second amendment thereto to be dated on or about the Closing Date, which amendment shall include the Issuer as lender under such loan agreement, and (ii) that certain loan agreement dated February 24, 2023 between the Existing Notes Issuer, as lender, and Azul Linhas, as borrower, as to be amended by a first amendment thereto to be dated on or about the Closing Date, which amendment shall include the Issuer as lender under such loan agreement, or (b) a loan agreement entered into between the Issuer, as lender, and Azul Linhas, as borrower, dated on or about the Closing Date. The Issuer will determine the foregoing prior to the Closing Date.

"Intercompany Loans Fiduciary Assignment" means the fiduciary assignment (*cessão fiduciária*) entered into by the Issuer in respect of the receivables under the Intercompany Loan Agreements, governed by Brazilian law;

"Intercreditor Agreement" has the meaning set forth under "—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement."

"Investments" means, with respect to any Person, all direct or indirect investments made by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances (but excluding advance payments and deposits for goods and services in the ordinary course of business) or capital contributions (excluding commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities of other Persons, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Parent Guarantor or any of its Subsidiaries sells or otherwise Disposes of any Equity Interests of any direct or indirect Subsidiary of the Parent Guarantor after the Closing Date such that, after giving effect to any such sale or Disposition, such Person is no longer a direct or indirect Subsidiary of the Parent Guarantor, then the Parent Guarantor will be deemed to have made an Investment on the date of any such sale or Disposition equal to the Fair Market Value of the Parent Guarantor's Investments in such Subsidiary that were not sold or Disposed of. Except as otherwise provided in the New Notes Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"IP Agreements" has the meaning set forth in "Description of Collateral—Shared Collateral."

"IP Co" means Azul IP Cayman Ltd.

"IP HoldCo" means Azul IP Cayman Holdco Ltd.

"IP License Fee" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"IP Licenses" means (a) the Head License and (b) the Sublicense.

"IP Manager" means Azul Linhas in its capacity as IP Manager under the Management Agreement.

"IP Parties" means IP HoldCo and IP Co.

"IP Security Agreements" shall have the meaning set forth in the Security Agreement.

"LGPD" means the Brazilian Federal Law No. 13,709, dated August 14, 2018, as amended (the Brazilian General Data Protection Law (*Lei Geral de Proteção de Dados Pessoais*).

"Lien" means, with respect to any asset, any mortgage, lien, pledge, fiduciary assignment (*cessão fiduciária*), fiduciary transfer (*alienação fiduciária*), usufruct (*usufruto*), trust (*fideicomisso*), seizure (*arresto*), sequestration (*sequestro*), attachment (*penhora*), charge, license, security interest or similar encumbrance of any kind in respect of such asset, judicial or extrajudicial, voluntary or involuntary, whether or not filed, recorded or otherwise perfected under applicable law (but excluding any lease, sublease, use or license agreement or swap agreement or similar arrangement by any Grantor described in the definition of "Permitted Shared Collateral Disposition"), including any conditional sale or other title retention agreement, any option or other agreement to sell or give a security interest in and any agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"Loyalty Program" means (a) any customer loyalty program available to individuals (i.e., natural persons) that grants members in such program Currency based on a member's purchasing behavior and that entitles a member to accrue and redeem such Currency for a benefit or reward, including flights and/or other goods and services, or (b) any other membership program (including a subscription-based product) available to individuals (i.e., natural persons) that grants members in such program benefits in connection with travel on an airline, including reduced costs on airfare, bag fees and upgrades.

"LTV Ratio" means, on any date, the ratio (expressed as a percentage) equal to (a) the aggregate principal amount of First Priority Secured Debt outstanding on such date, *divided* by (b) the value of the TudoAzul Program, the Azul Viagens Business and the Airline Intellectual Property (calculated so as to exclude the Azul Cargo Intellectual Property), and any Additional Collateral determined pursuant to the most recent Appraisal. For the avoidance of doubt, if more than one Appraisal is prepared in respect of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and any Additional Collateral, the value referred to in clause (b) shall be calculated so as to avoid double counting the value of any intellectual property.

"Majority New Noteholders" means the Holders of New Notes that hold 50.1% or more of the aggregate principal amount of the New Notes outstanding on any date of determination, determined across both series of New Notes treated for this purpose as one class.

"Majority New Notes Collateral Enforcement Date" means 180 consecutive days after the occurrence of both (i) an event of default under a New Notes Secured Debt Document and (ii) the Applicable Collateral Representative's receipt of written notice from the Trustee or Collateral Agent that an event of default has occurred and is continuing and all of the New Notes Secured Obligations are currently due and payable in full (whether as a result of the acceleration thereof or otherwise); *provided* that such date shall be tolled and shall not occur if (i) with respect to any Shared Collateral, the Applicable Collateral Representative has commenced and is diligently pursuing the exercise of any rights and remedies with respect to all or a material portion of the Shared Collateral, or (ii) an insolvency proceeding in respect of an Obligor has been commenced; *provided further*, if the circumstances described above subsequently occur, the Majority New Notes Collateral Enforcement Date shall be deemed

(prospectively only) not to have occurred and the Representatives shall cease to take instructions from the Majority New Noteholders. If at any time the exercise of remedies is stayed due to a bankruptcy or insolvency proceeding of an Obligor, the 180-day period described above shall be tolled until such stay is no longer in effect.

"Majority Total Debtholders" means the holders of Secured Debt that hold 50.1% or more of the aggregate principal amount of all Secured Debt outstanding on any date of determination, determined across all Series of Secured Debt treated for this purpose as one class; provided that, for the purposes of the AerCap Secured Obligations, the payment obligations that comprise the AerCap Secured Obligations as of the relevant date shall be deemed to be principal amount for the purposes of this definition.

"Management Agreement" has the meaning set forth in "Description of Certain Material Transaction Agreements—Management Agreement."

"Material Adverse Effect" means a material adverse effect on (a) the consolidated business, operations or financial condition of the Parent Guarantor and its Subsidiaries, taken as a whole, (b) the validity or enforceability of the Transaction Documents or the rights or remedies of the Holders and the First Priority Secured Parties thereunder, (c) the ability of the Issuer to pay the Obligations under the Transaction Documents, (d) the validity, enforceability or collectability of the IP Agreements generally or any material portion of the IP Agreements, taken as a whole, (e) the value of the Shared Collateral or the business and operations of the TudoAzul Program and the Azul Viagens Business, taken as a whole or (f) the ability of the Obligors to perform their material obligations under the IP Agreements or the Intercompany Loan Agreements; *provided*, that no condition or event that has been publicly disclosed by the Parent Guarantor or any of its Subsidiaries on or prior to the Closing Date shall be considered a "Material Adverse Effect."

"Material Indebtedness" means (a) with respect to the Parent Guarantor and its Subsidiaries, Indebtedness of the Parent Guarantor and its Subsidiaries (other than the New Notes) outstanding under the same agreement in a principal amount exceeding US$75.0 million (or the equivalent thereof in other currencies at the time of determination); and (b) with respect to any IP Party, Indebtedness of any IP Party (other than the New Notes) outstanding under the same agreement in a principal amount exceeding US$250,000.

"Material Modification" means any amendment or waiver of, or modification or supplement to, an IP Agreement or an Intercompany Loan Agreement which: (a) shortens the scheduled maturity or term thereof, (b) amends, modifies or otherwise changes the calculation or rate of fees, expenses or termination payments due and owing thereunder in a manner reducing the amount owed to the Issuer, (c) changes the contractual subordination of payments thereunder, reduces the frequency of payments thereunder or permits payments due to the Issuer to be deposited to an account other than the Collection Accounts, (d) changes the amendment standards applicable to such agreement (other than changes affecting rights of the Trustee or the U.S. Collateral Agent to consent to amendments, which is covered by clause (e)) in a manner that would reasonably be expected to result in a Material Adverse Effect, or (e) materially impairs the rights of the Trustee or the U.S. Collateral Agent to enforce or consent to amendments to any provisions of any such agreement in accordance therewith.

"Member Profile Data" means, with respect to each member of the TudoAzul Program (including Clube TudoAzul) and to the extent in the possession or control of the Parent Guarantor or any of its Subsidiaries, such member's (i) name, mailing address, email address, and phone numbers, (ii) communication consent preferences, (iii) total Currency balance, (iv) third party engagement history, (v) accrual and redemption activity, including any data related to member segment designations or member segment activity or qualifications, (vi) TudoAzul Program (including Clube TudoAzul) account or membership number, and (vii) member status. For the avoidance of doubt, Member Profile Data excludes (A) Azul Traveler Data, (B) any data relating to Azul Viagens Business transactions made by members of the TudoAzul Program that is analogous to the Azul Traveler Data, and (C) any data relating to Azul Cargo Business transactions made by customers of the Azul Cargo Business.

"Moody's" means Moody's Investors Service, Inc.

"Net Proceeds" means (a) with respect to any Collateral Sale, Recovery Event or Contingent Payment Event, the aggregate cash and Cash Equivalents received by the Parent Guarantor or any of its Subsidiaries in respect thereof, net of: (i) the direct costs and expenses relating to such Collateral Sale, Recovery Event or Contingent Payment Event, including, without limitation, legal, accounting and investment banking fees, and sales

commissions, and any relocation expenses incurred as a result of the Collateral Sale, Recovery Event or Contingent Payment Event, Taxes paid or payable as a result of the Collateral Sale, Recovery Event or Contingent Payment Event, in each case, after taking into account any available Tax credits or deductions and any Tax sharing arrangements; and (ii) any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with IFRS; and (b) with respect to any incurrence of Indebtedness, the cash proceeds thereof, net of (i) any fees, underwriting discounts and commissions, premiums, and other costs and expenses incurred in connection with such issuance and (ii) attorney's fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer Taxes, deed or mortgage recording Taxes, other customary expenses, and brokerage, consultant, accountant, and other customary fees.

"New First Priority Financing" means the first incurrence by the Obligors of Permitted First Priority Secured Debt after the Closing Date. For the avoidance of doubt, the AerCap Secured Obligations and the Convertible Debentures will be outstanding on the Closing Date and therefore do not constitute the incurrence of Permitted First Priority Secured Debt after the Closing Date.

"New First Priority Financing Closing Date" means the closing date of the New First Priority Financing.

"New Notes Documents" means the New Notes Indenture, any note or global note issued pursuant to the New Notes Indenture, the Collateral Documents, the Azul Cargo Collateral Documents, any supplemental indentures to the New Notes Indenture and any other instrument or agreement (which is designated as a New Notes Document therein) executed and delivered by the Issuer or any other Guarantor to the Trustee or either Collateral Agent.

"New Notes Secured Debt" means (i) the New Notes (and related New Notes Guarantees) outstanding on the Closing Date, (ii) any New Notes (and related New Notes Guarantees) issued on the Final Settlement Date, and (iii) any Permitted Additional New Notes.

"New Notes Secured Obligations" means, in each case, without duplication, (a) the New Notes Secured Debt, (b) any and all sums due and owing to the Trustee and any Collateral Agent, and (c) in the event of any proceeding for the collection or enforcement of the obligations described in clauses (a) and (b) above after a Remedies Direction has been provided (including any Remedies Action), the expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Shared Collateral, or of any exercise by any Collateral Agent of its rights under the Collateral Documents, together with any reasonable, documented, out-of-pocket attorneys' fees and court costs.

"New Notes Secured Parties" means the Collateral Agents, the Trustee and the Holders of the New Notes.

"Non-Compete" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"Obligations" means the unpaid principal of and interest on (including interest accruing after the maturity of the New Notes of the relevant series and interest accruing after the filing of any petition of bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Issuer, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) the New Notes of the relevant series and all other obligations and liabilities of the Obligors to the Trustee or any Collateral Agent or any Holder, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which arise under the New Notes Indenture or Collateral Documents, whether on account of principal, interest, reimbursement obligations, fees, indemnities, out-of-pocket costs, and expenses (including all fees, charges and disbursements of counsel to the Trustee or any Collateral Agent that are required to be paid by the Obligors pursuant to the terms of any New Notes Documents) or otherwise.

"Officer's Certificate" means a certificate signed on behalf of the Issuer or the Parent Guarantor (or such other applicable Person) by a Responsible Officer of the Issuer or the Parent Guarantor (or such other applicable Person), respectively.

"Online Tracking Data" means any information or data collected in relation to on-line activities that can reasonably be associated with a particular user or computer or other device.

"Other IP Termination Event" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"Parent Change of Control" means any of the following events:

(1) the direct or indirect sale or transfer of all or substantially all the assets of the Parent Guarantor and its subsidiaries, taken as a whole, to any transferee Person other than (i) any Person which owns or operates (directly or indirectly through a contractual arrangement) a Permitted Airline Business (a "Permitted Person") or a Subsidiary of a Permitted Person or (ii) the Permitted Holders, other than a transaction in which such transferee Person becomes the obligor in respect of the New Notes and a Subsidiary of the transferor of such assets; or

(2) the consummation of any transaction (including, without limitation, by merger, consolidation, acquisition or any other means) as a result of which any "person" or "group" (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) other than the Permitted Holders is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Parent Guarantor other than in connection with any merger or consolidation of the Parent Guarantor with or into any Permitted Person or a Subsidiary of a Permitted Person.

"Parent Change of Control Event" means a Parent Change of Control and a Rating Decline.

"Parent Change of Control Offer" has the meaning assigned to that term in the first paragraph under the caption "—Parent Change of Control Offer to Purchase."

"Parent Change of Control Payment" has the meaning assigned to that term in the first paragraph under the caption "—Parent Change of Control Offer to Purchase."

"Parent Change of Control Payment Date" has the meaning assigned to that term in the second paragraph under the caption "—Parent Change of Control Offer to Purchase."

"Payment Account" means the USD Payment Account or the BRL Payment Account, as applicable.

"Permitted Airline Business" means any business that is the same as, or reasonably related, ancillary, supportive or complementary to, or a reasonable extension of, the business in which the Parent Guarantor and its Subsidiaries (other than the IP Parties) are engaged on the Closing Date, including travel-related and leisure-related businesses, and travel, leisure and support services and experiences and other similar services and experiences.

"Permitted Acquisition Loyalty Program" means a Loyalty Program owned, operated or controlled, directly or indirectly, by a Specified Acquisition Entity or any of its Subsidiaries or principally associated with such Specified Acquisition Entity or any of its Subsidiaries, so long as (a) the Permitted Acquisition Loyalty Program is not operated in a fashion that is more competitive, taken as a whole, than the TudoAzul Program (including Clube TudoAzul), as determined by the Parent Guarantor in good faith, (b) neither any of the Obligors nor any of their respective Subsidiaries take any action that would reasonably be expected to disadvantage the TudoAzul Program relative to the Permitted Acquisition Loyalty Program (including exiting from, terminating, cancelling or otherwise discontinuing the TudoAzul Program), (c) no members of the TudoAzul Program (including Clube TudoAzul) are targeted for membership in the Permitted Acquisition Loyalty Program (excluding any general advertisements, promotions or similar general marketing activities related to the Permitted Acquisition Loyalty Program), (d) except as attributable to market or business conditions as determined in good faith by the Parent Guarantor, the Obligors and their respective Subsidiaries will devote substantially similar resources to the TudoAzul Program (including Clube TudoAzul), including distribution and marketing channels, as were applicable immediately prior to the consummation of the acquisition of the Specified Acquisition Entity and (e) neither any of the Obligors nor any of their respective Subsidiaries announce to the public, the members of the TudoAzul Program (including Clube TudoAzul) or the members of the Permitted Acquisition Loyalty Program that the Permitted Acquisition Loyalty Program is a primary Loyalty Program for the Parent Guarantor or any of its Subsidiaries.

"Permitted Acquisition Travel Package Business" means a Travel Package Business owned, operated or controlled, directly or indirectly, by a Specified Acquisition Entity or any of its Subsidiaries, or principally associated with such Specified Acquisition Entity or any of its Subsidiaries, so long as (a) the Permitted Acquisition

Travel Package Business is not operated in a fashion that is more competitive, taken as a whole, than the Azul Viagens Business, as determined by the Parent Guarantor in good faith, (b) neither any of the Obligors nor any of their respective Subsidiaries take any action that would reasonably be expected to disadvantage the Azul Viagens Business relative to the Permitted Acquisition Travel Package Business (including exiting from, terminating, cancelling or otherwise discontinuing the Azul Viagens Business), (c) no customers of the Azul Viagens Business are targeted by the Permitted Acquisition Travel Package Business (excluding any general advertisements, promotions or similar general marketing activities related to the Permitted Acquisition Travel Package Business), (d) except as attributable to market or business conditions as determined in good faith by the Parent Guarantor, the Obligors and their respective Subsidiaries will devote substantially similar resources to the Azul Viagens Business, including distribution and marketing channels, as were applicable immediately prior to the consummation of the acquisition of the Specified Acquisition Entity and (e) neither any of the Obligors nor any of their respective Subsidiaries announce to the public, the customers of the Azul Viagens Business or the customers of the Permitted Acquisition Travel Package Business that the Permitted Acquisition Travel Package Business is the primary Travel Package Business for the Parent Guarantor or any of its Subsidiaries; *provided* that, notwithstanding the foregoing, no Travel Package Business shall be considered a Permitted Acquisition Travel Package Business from and after the Parent Guarantor ceasing to operate, or commencing the process of winding down, the operations of the Azul Viagens Business.

"Permitted Additional New Notes" means any additional New 2029 Notes and any additional New 2030 Notes that are issued on one or more occasions pursuant to a "qualified reopening" for U.S. federal income tax purposes after the Closing Date either (i) in exchange for (x) in the case of additional New 2029 Notes, Existing 2024 Notes, and (y) in the case of additional New 2030 Notes, Existing 2026 Notes; or (ii) issued and sold for cash so long as (A) the cash proceeds from such "qualified reopening" are applied to repurchase, redeem, defease or otherwise acquire, in the case of additional New 2029 Notes, Existing 2024 Notes, or in the case of additional New 2030 Notes, Existing 2026 Notes and (B) the aggregate principal amount of such additional New 2029 Notes and New 2030 Notes does not to exceed the aggregate principal amount of, in the case of additional New 2029 Notes, Existing 2024 Notes and in the case of additional New 2030 Notes, Existing 2026 Notes, that are so repurchased, redeemed, defeased or otherwise acquired and cancelled after the Final Settlement Date; provided that the aggregate principal amount of any Permitted Additional New Notes shall be limited to US$850 million less the aggregate principal amount of New Notes outstanding on the Final Settlement Date.

"Permitted Azul Cargo Collateral Disposition" means any of the following:

(1) the Disposition of Azul Cargo Collateral expressly permitted under the applicable Azul Cargo Collateral Documents, the proceeds of which are applied in accordance with the Azul Cargo Intercreditor Agreement, the Azul Cargo Collateral Documents and the New Notes Indenture, as applicable;

(2) the Disposition of cash or Cash Equivalents constituting Azul Cargo Collateral in exchange for other cash or Cash Equivalents constituting Azul Cargo Collateral and having reasonably equivalent value therefor;

(3) to the extent constituting a Disposition, (i) the incurrence of Liens that are expressly permitted to be incurred pursuant to "Certain Covenants—Limitation on Liens";

(4) surrender or waive contractual rights and settle, release, surrender or waive contractual or litigation claims (or other Disposition of assets in connection therewith);

(5) the expiration of the following registered Intellectual Property: (A) any copyright, the term of which has expired under applicable law; (B) any patent, the term of which has expired under applicable law, taking into account all patent term adjustments and extensions, and provided that all maintenance fees are paid; and (C) any trademark or service mark, the term of which has expired under applicable law because a declaration or statement of use to maintain the registration cannot be submitted to, or has been finally rejected by, the relevant governmental authority because such trademark or service mark is no longer in use;

(6) except as would have a Material Adverse Effect, the abandonment or cancellation of Intellectual Property in the ordinary course of business (including in connection with any change to any aspect of the branding of, or the rebranding of, the Azul Cargo Business in the ordinary course of business); and

(7) any transfer, deletion, de-identification or purge of any Personal Data that is required or permitted under applicable privacy laws, under any of the public-facing privacy policies of the Parent Guarantor or any of its Subsidiaries, in each case, pursuant to the applicable Obligor's privacy and data retention policies and in the ordinary course of business (including in connection with terminating inactive customer accounts) consistent with past practice.

"Permitted Azul Cargo Financing Liens" means Liens securing Azul Cargo Priority Secured Debt and other obligations (as such term or any similar or analogous term is defined in the relevant Azul Cargo Priority Secured Debt Document) in an aggregate principal amount of Azul Cargo Priority Secured Debt at any time outstanding not to exceed US$800.0 million (or the equivalent thereof in other currencies).

"Permitted Azul Cargo Liens" means:

(1) the Liens set forth in paragraphs (2), (3), (4), (5), (6), (8), (11), (12), (13) and (16) of the definition of Permitted Collateral Liens and, in each case, any extension, modification, renewal or replacement of such Liens;

(2) any Permitted Azul Cargo Financing Liens; and

(3) any Liens securing the New Notes and the New Notes Guarantees.

"Permitted Collateral Liens" means:

(1) Liens on the Shared Collateral securing the Secured Obligations, including pursuant to the Transaction Documents, so long as such Indebtedness and such Liens are subject to the Intercreditor Agreement;

(2) Liens of a collection bank arising under Section 4-208 of the New York Uniform Commercial Code or any comparable provision in any jurisdiction or successor provision on items in the course of collection and Liens in favor of banking or other financial institutions or other electronic payment service providers arising as a matter of law or customary contract within the general parameters customary in the industry;

(3) Liens in favor of depositary banks or other financial institutions arising as a matter of law or regulation, or by the terms of documents or contracts, encumbering deposits or investments (including the right of setoff) and that are within the general parameters customary in the banking industry, and Liens in favor of credit card and debit card processors or customers in connection with credit card and debit card processing services incurred in the ordinary course of business;

(4) Liens for Taxes or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision (if any) required in conformity with IFRS has been made in respect thereof;

(5) Liens imposed by law, such as carriers,' warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(6) Liens arising by operation of law in connection with judgments, attachments or awards which do not constitute an Event of Default under the New Notes Indenture;

(7) to the extent constituting Liens, the rights granted by any Obligor to another Obligor or the U.S. Collateral Agent pursuant to any IP Agreement (other than any rights granted thereunder following any amendment or modification thereof that is not permitted by the terms of such agreement, the New Notes Indenture, an IP License or any other Transaction Document);

(8) (i) any overdrafts and related liabilities arising from treasury, netting, depositary and cash management services or in connection with any automated clearing house transfers of funds, in each case as it relates to cash or Cash Equivalents, if any, and (ii) Liens arising by operation of law or regulation or that are contractual rights of set off in favor of the depositary bank or securities intermediary in respect of any deposit or securities accounts;

(9) to the extent constituting Liens, licenses, sublicenses and similar rights as they relate to any Intellectual Property (A) granted to any third-party counterparty of any TudoAzul Agreement or Azul Viagens Agreement

pursuant to the terms of such agreement or (B) otherwise expressly permitted by the IP Licenses and the Collateral Documents to be granted to any Person (other than any sublicense or similar right granted thereunder following any amendment or modification thereof that is not permitted by the terms of such agreement, the Collateral Documents or the New Notes Indenture);

(10) Liens incurred in the ordinary course of business of the Parent Guarantor or any Subsidiary of the Parent Guarantor with respect to obligations that do not exceed in the aggregate US$10.0 million at any one time outstanding;

(11) rights reserved or vested in any Person by the terms of any lease, license, franchise, grant, or permit held by any Obligor or by a statutory provision, to terminate any such lease, license, franchise, grant, or permit, or to require annual or periodic payments as a condition to the continuance thereof, in each case so long as such rights (A) do not interfere in any material respect with the business of the Parent Guarantor and its Subsidiaries, taken as a whole and (B) do not relate to Intellectual Property or TudoAzul Agreements except as expressly provided in the Collateral Documents;

(12) Liens on cash and Cash Equivalents that are earmarked to be used to satisfy or discharge Secured Obligations in connection with any renewal, refund, refinancing, replacement, exchange, defeasance or discharge thereof and in favor of the applicable Secured Debt Representative (in the case of First Priority Secured Debt) or the U.S. Collateral Agent, administrative agent or trustee in respect of such New Notes Secured Debt; *provided* that (a) such cash and/or Cash Equivalents are deposited into an account from which payment is to be made, directly or indirectly, to the Person or Persons holding the Indebtedness that is to be satisfied or discharged, (b) such Liens extend solely to the account in which such cash and/or Cash Equivalents are deposited and are solely in favor of the Person or Persons holding the Indebtedness (or any agent or trustee for such Person or Persons) that is to be satisfied or discharged, and (c) the satisfaction or discharge of such Indebtedness is expressly permitted under the Transaction Documents;

(13) with respect to any Subsidiary organized under the law of a jurisdiction outside of the United States, other Liens and privileges arising mandatorily by any requirement of law or regulation;

(14) Liens arising in connection with the IP Agreements;

(15) Liens (including all rights) of counterparties under the TudoAzul Agreements and the Azul Viagens Agreements under the terms thereof;

(16) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations, or Liens in connection with workers' compensation, unemployment insurance or other social security, old age pension or public liability obligations which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with IFRS; and

(17) any extension, modification, renewal or replacement of the Liens described in clauses (1) through (16) above, *provided* that such extension, modification, renewal or replacement does not increase the amount of Indebtedness associated therewith or extend to any other property not previously subject to such Lien.

"Permitted First Priority Secured Debt" means (i) Additional First Priority Secured Debt in an aggregate principal amount not to exceed (x) a cumulative amount of US$850 million (or the equivalent thereof in other currencies at the time of determination) incurred after the date of issuance of the New Notes (the "First Priority Secured Fixed Amount") plus (y) an additional amount such that, on a pro forma basis after giving effect to the incurrence and the use of proceeds of such Indebtedness, the Debt Service Coverage Ratio is at least 4.00x (the "First Priority Secured Ratio Amount") (it being understood that a substantially simultaneous incurrence under the First Priority Secured Fixed Amount and the First Priority Secured Ratio Amount shall calculate such First Priority Secured Ratio Amount excluding Indebtedness incurred pursuant to such basket substantially simultaneously); *provided* that (a) the Liens on the Shared Collateral securing such Indebtedness are "first out" pursuant to the provisions of the Intercreditor Agreement, (b) no Event of Default shall have occurred and be continuing or would result from the issuance of such Indebtedness, (c) any such Indebtedness shall not be subject to or benefit from any guarantee by any person other than an Obligor or be secured by any assets other than the Shared Collateral unless

such guarantee and collateral is added for the benefit of the New Notes, (d) the regularly scheduled interest payments on such Permitted First Priority Secured Debt shall be no more frequently than quarterly and no less frequently than semi-annually, and (e) the LTV Ratio (calculated as to First Priority Secured Debt only) shall not exceed, after giving effect to the incurrence and the use of proceeds of such Indebtedness, 62.5% and (ii) any Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any First Priority Secured Debt simultaneously with or within six months after the repayment, defeasance or discharge of such First Priority Secured Debt (which, subject to the discharge of the AerCap Secured Obligations occurring, shall be deemed to have occurred on December 1, 2024). For the avoidance of doubt, the Indebtedness in respect of the Convertible Debentures that is outstanding on the Closing Date and the AerCap Secured Obligations that are outstanding on the Closing Date shall be deemed to have been incurred prior to the Closing Date and shall not be subject to the conditions to the incurrence of Permitted First Priority Secured Debt. Notwithstanding the foregoing, incurrence of the New First Priority Financing shall be permitted in an aggregate principal amount of up to the First Priority Secured Fixed Amount. Therefore, for the avoidance of doubt, paragraph (i)(y) in this definition providing for the First Priority Secured Ratio Amount shall not apply to the incurrence of the New First Priority Financing.

"Permitted Holders" means any of (i) David Gary Neeleman; (ii) any spouse, descendent, heir, trust or estate of David Gary Neeleman; (iii) Saleb II Founder 1 LLC; or (iv) any person as to whom more than 50% of the total voting power of the Voting Stock of such person is beneficially owned (as such term is used in Rule 13d-3 under the Exchange Act) by one or more of the Persons specified in clauses (i) and (ii).

"Permitted Investments" means (with respect to Investments made by the Issuer, clauses (1) through (7) below, and with respect to Investments made by IntelAzul and the IP Parties, clauses (1) through (6) below):

(1) to the extent constituting an Investment, Investments in any IP Party arising from the transactions contemplated in the Transaction Documents;

(2) any Investment in cash, Cash Equivalents and any foreign equivalents;

(3) any Investments received in a good faith compromise or resolution of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (ii) litigation, arbitration or other disputes;

(4) payment, redemption or prepayment of any Secured Debt in accordance with the terms and conditions of the New Notes Indenture and the other Transaction Documents;

(5) any guarantee of Secured Debt to the extent otherwise expressly permitted under the New Notes Indenture;

(6) accounts receivable arising in the ordinary course of business;

(7) redemption or purchase of the New Notes;

(8) any Investment in the Parent Guarantor or in any of its Subsidiaries;

(9) any Investment by the Parent Guarantor or any of its Subsidiaries in a Person, if a result of such Investment (i) such Person becomes a Subsidiary of the Parent Guarantor, or (ii) such Person, in one transaction or a series of related and substantially concurrent transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Parent Guarantor or any of its Subsidiaries;

(10) any Investment made as a result of the receipt of non-cash consideration from a Disposition of assets;

(11) any acquisition of assets or Capital Stock in exchange for the issuance of Qualifying Capital Stock;

(12) Investments represented by Hedging Obligations;

(13) loans or advances to officers, directors, consultants or employees made in the ordinary course of business of the Parent Guarantor or any of its Subsidiaries in an aggregate principal amount not to exceed US$15.0 million at any one time outstanding;

(14) any guarantee of Indebtedness other than a guarantee of Indebtedness of an Affiliate of the Parent Guarantor that is not a Subsidiary of the Parent Guarantor;

(15) any Investment existing on, or made pursuant to binding commitments existing on, the Closing Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Closing Date; provided that the amount of any such Investment may be increased (i) as required by the terms of such Investment as in existence on the Closing Date or (ii) as otherwise permitted under the New Notes Indenture;

(16) Investments acquired after the Closing Date as a result of the acquisition by the Parent Guarantor or any of its Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Parent Guarantor or any of its Subsidiaries in a transaction that is not prohibited by the New Notes Indenture after the Closing Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

(17) the acquisition by a Receivables Subsidiary in connection with a Qualified Receivables Transaction of Equity Interests of a trust or other Person established by such Receivables Subsidiary to effect such Qualified Receivables Transaction; and any other Investment by the Parent Guarantor or any of its Subsidiaries in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Transaction;

(18) Investments constituting (i) accounts receivable or accounts payable, (ii) deposits, prepayments and other credits to suppliers, including advances of landing fees and other customary airport charges, and/or (iii) in the form of advances made to airport operators, ground handlers, distributors, suppliers, licensors and licensees, in each case, made in the ordinary course of business and consistent with the past practices;

(19) Investments in connection with the outsourcing of any service or function in the ordinary course of business;

(20) extensions of credit, deposits, prepayment of expenses to, advances and other credits to distributors, customers, suppliers, utility providers, licensors, licensees, franchisees and other trade creditors in the ordinary course of business consistent with past practice;

(21) Investments constituting or related to any Aircraft Financing;

(22) Investments in connection with (i) the making or financing of any pre-delivery, progress or other similar payments relating to the acquisition or financing of, and (ii) any deposits, security deposits or maintenance reserves with respect to, engines, spare parts, aircraft, airframes or appliances, parts, components, instruments, appurtenances, furnishings or other equipment installed on such engines, spare parts, aircraft, airframes or any other related assets; and

(23) Investments having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value other than a reduction for all returns of principal in cash and capital dividends in cash), when taken together with all Investments made pursuant to this clause (23) that are at the time outstanding, not to exceed 10.0% of the Consolidated Total Assets at the time of such Investment.

"Permitted IP Party Business" any business that is the same as, or reasonably related, ancillary, supportive or complementary to, or a reasonable extension of, the business in which the IP Parties are engaged on the Closing Date after giving effect to the transactions contemplated to occur on the Closing Date by the Transaction Documents.

"Permitted Refinancing Indebtedness" means any Indebtedness incurred by the Obligors in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge (i) Indebtedness of the Parent Guarantor or any of its Subsidiaries (other than Indebtedness owed to the Parent Guarantor or any of its Subsidiaries), including Permitted Refinancing Indebtedness, or (ii) the AerCap Secured Obligations; *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price, or, if greater, committed amount (only to the extent the committed amount could have been incurred on the date of initial incurrence)) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price or, if greater, committed amount (only to the extent the committed amount could have been incurred on the date of initial incurrence)) and premium payable on the Indebtedness (plus the amount of accrued and unpaid interest or dividends on and the amount of all fees and expenses incurred in connection with the incurrence or issuance of, such Indebtedness) or AerCap Secured Obligations renewed, refunded, refinanced, replaced, exchanged, defeased or discharged;

(2) such Permitted Refinancing Indebtedness has (a) a final maturity date that is either (i) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the New Notes and (b) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged (for the purposes of this paragraph (2) the final maturity date of the AerCap Secured Obligations shall be deemed to be December 1, 2024);

(3) if the Indebtedness or AerCap Secured Obligations being renewed, refunded, refinanced, replaced, defeased or discharged is First Priority Secured Debt, such Permitted Refinancing Indebtedness shall constitute Additional First Priority Secured Debt (for this purpose, without regard to references to Debt Service Coverage Ratio and LTV Ratio in the definition of Permitted First Priority Secured Debt); and

(4) except in the case of the AerCap Secured Obligations, if such Indebtedness is incurred either by the Issuer (if the Issuer was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged) or by the applicable Obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is permitted to be guaranteed only by the Obligors and any other Persons who were obligors on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged.

"Permitted Refinancing Subordinated Indebtedness" means any Subordinated Indebtedness incurred by the Parent Guarantor or any of its Subsidiaries in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge Subordinated Indebtedness of the Parent Guarantor or any of its Subsidiaries (other than Indebtedness owed to the Parent Guarantor or any of its Subsidiaries), including Permitted Refinancing Subordinated Indebtedness; *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price, or, if greater, committed amount (only to the extent the committed amount could have been incurred on the date of initial incurrence)) of such Permitted Refinancing Subordinated Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price or, if greater, committed amount (only to the extent the committed amount could have been incurred on the date of initial incurrence)) and premium payable on the Subordinated Indebtedness (plus the amount of accrued and unpaid interest or dividends on and the amount of all fees and expenses incurred in connection with the incurrence or issuance of, such Indebtedness) renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

(2) such Permitted Refinancing Subordinated Indebtedness has final maturity date that is either (i) no earlier than the final maturity date of the Subordinated Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (ii) after the final maturity date of the New Notes; and

(3) such Permitted Refinancing Subordinated Indebtedness is subordinated in right of payment on terms (taken as a whole) at least as favorable to the Holders as those contained in the documentation governing such Subordinated Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged.

"Permitted Shared Collateral Disposition" means any of the following:

(1) the Disposition of Shared Collateral expressly permitted under the applicable Collateral Documents, the proceeds of which are applied in accordance with the Transaction Documents;

(2) the licensing or sublicensing or granting of similar rights of Intellectual Property or other general intangibles pursuant to any TudoAzul Agreement or Azul Viagens Agreement or as otherwise permitted by (or pursuant to) the IP Agreements;

(3) the Disposition of cash or Cash Equivalents constituting Shared Collateral in exchange for other cash or Cash Equivalents constituting Shared Collateral and having reasonably equivalent value therefor;

(4) to the extent constituting a Disposition, (i) the incurrence of Liens that are expressly permitted to be incurred pursuant to "Certain Covenants—Limitation on Liens";

(5) Dispositions pursuant to the terms of any IP Agreement;

(6) surrender or waive contractual rights and settle, release, surrender or waive contractual or litigation claims (or other Disposition of assets in connection therewith);

(7) the expiration of the following registered Intellectual Property: (A) any copyright, the term of which has expired under applicable law; (B) any patent, the term of which has expired under applicable law, taking into account all patent term adjustments and extensions, and *provided* that all maintenance fees are paid; and (C) any trademark or service mark, the term of which has expired under applicable law because a declaration or statement of use to maintain the registration cannot be submitted to, or has been finally rejected by, the relevant governmental authority because such trademark or service mark is no longer in use; in each case, subject to the terms and conditions of the IP Agreements;

(8) except as would have a Material Adverse Effect, the abandonment or cancellation of Intellectual Property in the ordinary course of business (including in connection with any change to any aspect of the branding of, or the rebranding of, the TudoAzul Program or the Azul Viagens Business in the ordinary course of business); and

(9) any transfer, deletion, de-identification or purge of any Personal Data that is required or permitted under applicable privacy laws, under any of the public-facing privacy policies of the Parent Guarantor or any of its Subsidiaries, in each case, pursuant to the applicable Obligor's privacy and data retention policies and in the ordinary course of business (including in connection with terminating inactive member accounts) consistent with past practice.

"Person" means any natural person, corporation, division of a corporation, partnership, limited liability company, trust, joint venture, association, company, estate, unincorporated organization, Airport Authority or Governmental Authority or any agency or political subdivision thereof.

"Personal Data" means (i) any information or data that alone or together with any other data or information can be used to identify, directly or indirectly, a natural person or otherwise relates to an identified or identifiable natural person and (ii) any other information or data considered to be personally identifiable information or data under applicable law.

"Points" means Currency under the TudoAzul Program.

"Pre-paid Points Purchases" means the sale by the Parent Guarantor or any of its Subsidiaries of pre-paid Points to a counterparty of a TudoAzul Agreement or any similar transaction involving a counterparty of a TudoAzul Agreement advancing funds to the Parent Guarantor against future payments to the Parent Guarantor by such counterparty under such TudoAzul Agreement.

"proceeds" means all "proceeds" as such term is defined in Article 9 of the UCC, including, without limitation, payments or distributions made with respect to any investment property, whatever is receivable or received when Collateral or proceeds are sold, leased, licensed, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, and any and all proceeds of loans.

"PTAX Rate" means the U.S.$ rate published by the Central Bank of Brazil by means of its internet page regarding exchange rates (www.bcb.gov.br/en), menu "Financial Stability", option "Foreign Exchange Policy", option "Foreign Exchange Rates", option "Quotations and bulletins", option "Closing Quotations of One Currency Over a Period", for the currency USD, column "Offer" (or such other page or services as may replace that page to be used for the purpose of obtaining such rate).

"Qualified Capital Stock" means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

"Qualified Receivables Transaction" means any transaction or series of transactions entered into by the Parent Guarantor or any of its Subsidiaries pursuant to which the Parent Guarantor or any of its Subsidiaries sells, conveys or otherwise transfers to any Person, or grants a security interest in, any accounts receivable (whether now existing or arising in the future) of the Parent Guarantor or any of its Subsidiaries, and any assets related thereto including, without limitation, all Equity Interests and other investments in any Receivables Subsidiary, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable, other than assets that constitute Shared Collateral or proceeds of Shared Collateral.

"Qualified Replacement Assets" means assets used or useful in the business of Obligors that shall be Shared Collateral.

"Quarterly Freeflow BRL Amount" has the meaning specified in the definition of Quarterly Freeflow Threshold.

"Quarterly Freeflow Date" means, in relation to any Quarterly Reporting Period, the first Business Day in that Quarterly Reporting Period on which the aggregate balance on deposit in the Collection Accounts is equal to or greater than the Quarterly Freeflow Threshold; provided that if (i) the aggregate balance on deposit in the USD Payment Account on the first Business Day in that Quarterly Reporting Period is equal to or greater than the applicable Quarterly Freeflow USD Amount, and (ii) then the aggregate balance on deposit in the BRL Payment Account on the first Business Day in that Quarterly Reporting Period is equal to or greater than the applicable Quarterly Freeflow BRL Amount, then the Quarterly Freeflow Date shall be the date that is the first Business Day in that Quarterly Reporting Period. For the purposes of converting any amounts from Brazilian *reais* into U.S. dollars, the rate of exchange shall be the Currency Conversion Rate applicable to the Distribution Date that occurred prior to the start of the relevant Quarterly Reporting Period.

"Quarterly Freeflow Threshold" means, in relation to any Quarterly Reporting Period, the amount estimated by the Parent Guarantor in a Quarterly Freeflow Threshold Statement as being necessary to satisfy in full all obligations that would be due and payable under clauses (1) through (7) of the USD Payment Waterfall (the "Quarterly Freeflow USD Amount") and clauses (1) through (5) of the BRL Payment Waterfall in respect of all Distribution Dates occurring in the relevant Quarterly Reporting Period (the "Quarterly Freeflow BRL Amount"). For the purposes of converting any amounts from Brazilian *reais* into U.S. dollars, the rate of exchange shall be the Currency Conversion Rate applicable to the Distribution Date that occurred prior to the start of the relevant Quarterly Reporting Period.

"Quarterly Freeflow Threshold Statement" means, in relation to any Quarterly Reporting Period, a statement prepared by the Parent Guarantor or another Obligor indicating the Quarterly Freeflow Threshold.

"Quarterly Freeflow USD Amount" has the meaning specified in the definition of Quarterly Freeflow Threshold.

"Quarterly Reporting Period" means (a) initially, the period commencing on the Closing Date and ending on September 30, 2023 and (b) thereafter, each successive period of three consecutive months.

"Rating Agency" means Standard & Poor's, Fitch or Moody's; or if Standard & Poor's, Fitch or Moody's are not making rating of the New Notes publicly available, an internationally recognized rating agency or agencies, as

the case may be, selected by the Parent Guarantor, which will be substituted for Standard & Poor's, Fitch or Moody's, as the case may be.

"Rating Decline" means that at any time within 90 days (which period shall be extended so long as the rating of the New Notes is under publicly announced consideration for possible downgrade by any Rating Agency) after the date of public notice of a Parent Change of Control, or of the Parent Guarantor's intention or that of any other Person to effect a Parent Change of Control, the then-applicable rating of the New Notes is decreased by (i) if three Rating Agencies are making ratings of the New Notes publicly available, at least two of the Rating Agencies, or (ii) if two or fewer Rating Agencies are making ratings of the New Notes publicly available, then each of the Rating Agencies, by one or more categories; *provided* that any such Rating Decline results from a Parent Change of Control.

"Receivables Subsidiary" means a Subsidiary of the Parent Guarantor or any of its Subsidiaries which engages in no activities other than in connection with a Qualified Receivables Transaction and which is designated by the Board of Directors of such Subsidiary as a Receivables Subsidiary; provided that (a) no portion of its Indebtedness or any other obligations (contingent or otherwise) (i) is guaranteed by the Parent Guarantor or any of its Subsidiaries that is not a Receivables Subsidiary (other than comprising a pledge of the Capital Stock or other interests in such Receivables Subsidiary (an "incidental pledge"), and excluding any guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to representations, warranties, covenants and indemnities entered into in the ordinary course of business in connection with a Qualified Receivables Transaction), (ii) is recourse to or obligates the Parent Guarantor or any of its Subsidiaries in any way other than through an incidental pledge or pursuant to representations, warranties, covenants, indemnities or other obligations that are usual and customary for a limited recourse financing in the applicable jurisdiction in connection with a Qualified Receivables Transaction or (iii) subjects any property or asset of the Parent Guarantor or any of its Subsidiaries that is not a Receivables Subsidiary (other than accounts receivable and related assets as provided in the definition of "Qualified Receivables Transaction"), directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to representations, warranties, covenants and indemnities entered into in the ordinary course of business in connection with a Qualified Receivables Transaction, (b) with which neither the Parent Guarantor nor any of its Subsidiaries that is not a Receivables Subsidiary has any material contract, agreement, arrangement or understanding (other than pursuant to the Qualified Receivables Transaction) other than (i) on terms no less favorable to the Parent Guarantor or such Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Parent Guarantor, and (ii) fees payable in the ordinary course of business in connection with servicing accounts receivable and (c) with which neither the Parent Guarantor nor any of its Subsidiaries has any obligation to maintain or preserve such Subsidiary's financial condition, other than a minimum capitalization in customary amounts, or to cause such Subsidiary to achieve certain levels of operating results.

"Recovery Event" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any Shared Collateral.

"Representative" refers to the trustee, administrative agent, fiduciary agent, collateral agent or similar representative for any Series of Secured Debt and includes the Trustee, the U.S. Collateral Agent and the Brazilian Collateral Agent.

"Required First Priority Debtholders" means the holders of First Priority Secured Debt that hold 50.1% or more of the aggregate principal amount of all First Priority Secured Debt, determined across all Series of First Priority Secured Debt treated for this purpose as one class.

"Required Payments" means the USD Required Payments and the BRL Required Payments.

"Requisite Noteholders" means, at any time, in relation to the relevant series of New Notes, Holders holding more than 50% of the aggregate outstanding principal amount of the New Notes of the relevant series.

"Responsible Officer" means, (a) with respect to any Person (other than the Trustee or a Collateral Agent), the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary, any Director, any Manager, any Managing Member, any Vice-President, any attorney-in-fact or any other person duly appointed to perform corporate duties of such Person, and (b) with respect to the Trustee or a Collateral Agent, any officer within the

Corporate Trust Office of the Trustee or Collateral Agent, as applicable (or any successor division, unit or group of the Trustee or a Collateral Agent, as applicable) who shall have direct responsibility for the administration of the New Notes Indenture.

"Restricted Investment" means an Investment other than a Permitted Investment.

"S&P" means Standard & Poor's Ratings Services.

"Sale of a Grantor" means, with respect to any Shared Collateral, an issuance, sale, lease, conveyance, transfer or other disposition of the Capital Stock of the applicable Grantor that owns such Shared Collateral.

"Scheduled Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Closing Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Secured Debt" means First Priority Secured Debt and New Notes Secured Debt.

"Secured Debt Documents" means First Priority Secured Debt Documents and New Notes Documents.

"Secured Debt Representatives" means the First Priority Secured Debt Representatives and New Notes Secured Debt Representatives.

"Secured Obligations" means the First Priority Secured Obligations and the New Notes Secured Obligations.

"Secured Parties" means the First Priority Secured Parties and the New Notes Secured Parties.

"Security Agreement" means that certain Security Agreement, dated on or prior to the Closing Date, among the Issuer, the IP Parties, the Parent Guarantor and the U.S. Collateral Agent, as it may be amended and restated from time to time.

"Series of Azul Cargo Priority Secured Debt" means any series, issue, tranche or class (as applicable) of any Azul Cargo Priority Secured Debt issued or incurred under the same agreement.

"Series of BRL First Priority Secured Debt" means any Series of First Priority Secured Debt that is payable in Brazilian *reais*.

"Series of First Priority Secured Debt" means each of (a) the AerCap Secured Obligations, (b) Indebtedness under the Convertible Debentures, and (c) any series, issue, tranche or class (as applicable) of Additional First Priority Secured Debt issued or incurred under the same agreement (with any series of notes constituting First Priority Secured Debt issued under the New Notes Indenture being treated as a separate Series of First Priority Secured Debt). For the avoidance of doubt, multiple Series of First Priority Secured Debt may be described by the foregoing clause (c).

"Series of Secured Debt" means any Series of First Priority Secured Debt and either series of New Notes.

"Series of USD First Priority Secured Debt" means any Series of First Priority Secured Debt that is payable in U.S. dollars.

"Series of USD Secured Debt" means any Series of USD First Priority Secured Debt and any series of New Notes.

"Shared Collateral" means the assets that are subject to Liens created by the Collateral Documents as described under "Description of Collateral—Shared Collateral".

"Significant Subsidiary" means any subsidiary of the Parent Guarantor (or any successor) which at the time of determination either (a) had assets which, as of the date of the Parent Guarantor's (or such successor's) most recent quarterly consolidated balance sheet, constituted at least 10% of the Parent Guarantor's (or such successor's) total

assets on a consolidated basis as of such date, or (b) had revenues for the 12-month period ending on the date of the Parent Guarantor's (or such successor's) most recent quarterly consolidated statement of income which constituted at least 10% of the Parent Guarantor's (or such successor's) total revenues on a consolidated basis for such period.

"Special Shareholder" means, with respect to each IP Party, the Special Shareholder (as defined in such the Specified Organizational Document of such IP Party) with respect to such IP Party. On the Closing Date, the Special Shareholder shall be Walkers Fiduciary Limited.

"Specified Acquisition Entity" means any entity that is (a) acquired by the Parent Guarantor or any of its Subsidiaries (other than an IP Party) after the Closing Date (whether such entity becomes a wholly- or less than wholly-owned Subsidiary thereof) or (b) another commercial airline (including any business lines or divisions thereof) with which the Parent Guarantor or such a Subsidiary of the Parent Guarantor merges or enters into an acquisition transaction.

"Specified Event of Default" means:

(i) an Event of Default set forth under paragraphs (1)(a) or (b), (7) or (8);

(ii) an Event of Default set forth under paragraph (5) or (6);

(iii) an event of default under any other Secured Debt Documents relating to any other Series of Secured Debt that is equivalent to the Events of Default referred to in clauses (i) and (ii);

provided that none of the following shall constitute a Specified Event of Default:

(1) the Parent Guarantor or any of its Subsidiaries (other than an IP Party) becoming subject to a proceeding under chapter 11 of the Bankruptcy Code, so long as (i) Azul Linhas is or becomes subject to a proceeding under chapter 11 of the Bankruptcy Code at such time, and (ii) each of the Chapter 11 Case Milestones is met and otherwise complied with, as applicable; and

(2) a proceeding under Brazilian Bankruptcy Law for the recognition of any proceeding under chapter 11 of the Bankruptcy Code as a foreign main proceeding (*processo estrangeiro principal*) or foreign non-main proceeding (*processo estrangeiro não principal*), so long as (i) Azul Linhas is among the Persons subject to such proceeding or proceedings under chapter 11 of the Bankruptcy Code in respect of which such recognition is being sought, (ii) no such recognition proceeding is inconsistent in any material respect with any Chapter 11 Case Milestone, (iii) such proceeding under Brazilian Bankruptcy Law is not converted into a Brazilian main proceeding, including a judicial reorganization (*recuperação judicial*), extrajudicial reorganization (*recuperação extrajudicial*) or a bankruptcy liquidation proceeding (*falência*), and (iv) such proceeding under chapter 11 of the Bankruptcy Code is recognized by the Brazilian bankruptcy court as a foreign main proceeding (*processo estrangeiro principal*) or foreign non-main proceeding (*processo estrangeiro não principal*) within 60 days of the initiation of such proceeding under Brazilian Bankruptcy Law;

"Specified IP" has the meaning set forth in set forth in "Description of Certain Material Transaction Agreements—Contribution Agreements."

"Specified Obligor Change of Control" means the occurrence of any of the following:

(i) the failure of Azul Linhas to directly own 100% of the limited partnership interests in the Issuer;

(ii) the failure of Azul Linhas to directly own 100% of the equity interests (other than the special share issued to the Special Shareholder) of IP HoldCo; or

(iii) the failure of IP HoldCo to directly own 100% of the equity interests (other than the special share issued to the Special Shareholder) of IP Co.

"Specified Organizational Document" means (i) the Amended and Restated Memorandum and Articles of Association of IP Co, dated the Closing Date and (ii) the Amended and Restated Memorandum and Articles of

Association of IP HoldCo, dated the Closing Date, in each case, as amended, restated or otherwise modified from time to time as permitted thereby and by the New Notes Indenture and the Collateral Documents.

"Specified Rights" means (i) the right to waive, modify, amend, or consent to a deviation from the terms or conditions of the IP Agreements (including the right of IP Co to receive the IP License Fee, unless at such time (x) all New Notes Secured Debt is receiving the interest it is owed on a current basis or (y) the IP License Fee has been in effect for two years and waiver or amendment thereof is reasonably necessary to preserve the value of the Shared Collateral and the rights and remedies of the Obligors and the Secured Parties thereto) or forbear to exercise the rights available to the Secured Parties upon any License Termination Event, (ii) the right to waive, modify, amend or consent to a deviation from any Chapter 11 Case Milestone or forbear to exercise the rights available to the Secured Parties upon the failure to meet any Chapter 11 Case Milestone and (iii) except to the extent provided for in the First Priority Secured Debt Documents, with respect to cash collateral (including Receivables and amounts in the Collection Accounts), the right to permit the Obligors to access or use such cash collateral (including by permitting proceeds to be deposited elsewhere than in the Collection Accounts or by omitting to exercise control over the Collection Accounts) unless (A) if the First Priority Secured Debt receives any interest or fees (including post-petition) in connection with its release or permitting use of such cash collateral (calculated *mutatis mutandis* so that the New Notes Secured Debt will benefit from equivalent economic treatment), the New Notes Secured Debt receives for its benefit, such interest or fees that the First Priority Secured Debt receives and (B) if the First Priority Secured Debt is secured by a Lien on any additional collateral granted, the New Notes Secured Debt shall also be secured on such additional collateral, on a "second out" basis in accordance with the terms of the Intercreditor Agreement; *provided* that the right to permit the use of cash collateral shall be the sole right of the Required First Priority Debtholders and the only right of the New Notes Secured Debt shall be to receive any interest, fees or Liens as set forth above.

"Stated Maturity" means, with respect to any installment of interest or principal on the New Notes of the relevant series, the date on which the payment of interest or principal was scheduled to be paid under the New Notes Indenture as of the Closing Date, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Stock" means all shares, shares of capital stock (whether denominated as common stock or preferred stock), equity interests, beneficial, partnership, limited liability company or membership interests, joint venture interests, participations or other ownership or profit interests in or equivalents (regardless of how designated) of or in a Person (other than an individual), whether voting or non-voting; *provided*, that any instrument evidencing Indebtedness convertible or exchangeable for Stock shall not be deemed to be Stock, unless and until any such instruments are so converted or exchanged.

"Sublicense" has the meaning set forth in "Description of Certain Material Transaction Agreements—IP Licenses."

"Subordinated Indebtedness" means Indebtedness of the Parent Guarantor or any of its Subsidiaries that is contractually subordinated in right of payment to the New Notes and the New Notes Guarantees.

"Subsidiary" means, with respect to any Person:

(1) any corporation, company, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person (or a combination thereof); and

(2) any partnership, joint venture or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof, whether in the form of membership, general, special or limited partnership

interests or otherwise and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Tax" and "Taxes" (including the correlative term "Taxation") means any and all present or future taxes, levies, imposts, duties, assessments, fees, deductions, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax, fines or penalties applicable thereto.

"Third Party Processors" means a third-party provider or other third party that accesses, collects, stores, transmits, transfers, processes, discloses or uses Personal Data on behalf of an Obligor.

"Trade Secrets" means all confidential and proprietary information, including trade secrets (as defined under the Uniform Trade Secrets Act or the Federal Defend Trade Secrets Act of 2016) and proprietary know-how, which may include all inventions (whether or not patentable), invention disclosures, methods, processes, designs, algorithms, source code, customer lists and data, databases, compilations, collections of data, practices, processes, specifications, test procedures, flow diagrams, research and development, and formulas.

"Transaction Documents" means the New Notes Documents, the IP Agreements, the Deeds of Undertaking, the Administration Agreements and the Specified Organizational Documents.

"Travel Package Business" means the business of operating and providing travel products and services through the contracting, booking, and/or packaging together of one or more of the various components of a vacation, such as flights, hotels, cruises, car hire, transfers, other transportation, meals, guides, tours, activities, attractions, experiences and insurance.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, and the rules and regulations thereunder as in effect on the date of the New Notes Indenture.

"TudoAzul Agreements" means any currently existing or future co-branding, partnering or similar agreements with third parties entered into by the Parent Guarantor or any of its Subsidiaries in connection with the TudoAzul Program, including any amendment thereof and any other agreement entered into with the same party in substitution for, or supplementary to, the existing agreements, and all related ancillary agreements, documents and emails.

"TudoAzul Customer Data" means any and all personal data owned or controlled (within the meaning of the LGPD), or later developed or acquired and owned or controlled (within the meaning of the LGPD), by the Parent Guarantor or any of its Subsidiaries and used, generated, or produced as part of the TudoAzul Program (including Clube TudoAzul), including any and all of the following: (i) a list of all members of the TudoAzul Program (including Clube TudoAzul) owned by the Parent Guarantor or any of its Subsidiaries from time to time; and (ii) the Member Profile Data for each member of the TudoAzul Program (including Clube TudoAzul) owned by the Parent Guarantor or any of its Subsidiaries from time to time.

"TudoAzul Fiduciary Assignment" means the fiduciary assignment (*cessão fiduciária*) in respect of (i) the receivables under the Assigned TudoAzul Agreements, (ii) the Designated TudoAzul Credit Card and Debit Card Receivables, and (iii) the TudoAzul Receivables Deposit Account, governed by Brazilian law.

"TudoAzul Gross Billings" in any Quarterly Reporting Period means the total amount, calculated in Brazilian *reais*, of all amounts billed, invoiced or otherwise charged to customers or business partners by the TudoAzul Program, in such Quarterly Reporting Period, minus any reversals in such amounts billed, invoiced or otherwise charged in respect of such Quarterly Reporting Period. Amounts in respect of the money portion of any "points plus money" transactions are not included in the calculation of TudoAzul Gross Billings.

"TudoAzul Program" means any Loyalty Program which is operated, owned or controlled, directly or indirectly, by the Parent Guarantor or any of its Subsidiaries, or principally associated with the Parent Guarantor or any of its Subsidiaries, in each case, as in effect from time to time, whether under the "TudoAzul" name or otherwise, in each case including any successor program, but excluding any Permitted Acquisition Loyalty Program. The TudoAzul Program includes Clube TudoAzul.

"TudoAzul Receivables Deposit Account" means the relevant account described in the TudoAzul Fiduciary Assignment in the name of Azul Linhas in Brazilian *reais* maintained in Brazil and subject to the TudoAzul Fiduciary Assignment and an Account Control Agreement (under the sole dominion and control of the Account Bank under the direction of the Brazilian Collateral Agent).

"UCC" means the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

"USD Blocked Account" means a segregated account in U.S. dollars (with permission to hold balances through investments in Cash Equivalents), in the name of the Issuer, maintained in New York and subject to a security agreement and Account Control Agreement (under the sole dominion and control of the U.S. Collateral Agent).

"USD Collateral Account" means a segregated non-interest bearing trust account in U.S. dollars, in the name of the Issuer (or, at the option of the Parent Guarantor, any Obligor) and under the sole dominion and control of the U.S. Collateral Agent into which amounts from the Collection Accounts are to be transferred on each Post-Default Distribution Date when a Remedies Direction has been given and remains in effect.

"USD First Priority Secured Debt" means First Priority Secured Debt that is denominated in U.S. dollars, other than the AerCap Secured Obligations.

"USD Payment Account" means a segregated non-interest-bearing account in U.S. dollars, in the name of the Issuer, maintained in New York and subject to a security agreement and Account Control Agreement (under the sole dominion and control of the U.S. Collateral Agent) into which USD Required Payments are to be transferred from the Collection Accounts in a Lockbox Structure when no Remedies Direction has been given and remains in effect.

"USD Pro Rata Share" mean (i) a fraction the numerator of which is the aggregate principal amount of all Series of USD First Priority Secured Debt (which shall be deemed to exclude the AerCap Secured Obligations) then outstanding and the denominator of which is sum of the aggregate principal amounts of all Series of First Priority Secured Debt then outstanding, or (ii) after the Discharge of First Priority Secured Obligations, a fraction the numerator of which is the aggregate principal amount of all New Notes then outstanding and the denominator of which is sum of the aggregate principal amounts of all Series of New Notes Secured Debt then outstanding. Amounts in U.S. dollars shall be measured as compared to amounts in Brazilian reais at the Currency Conversion Rate.

"USD Required Payments" means the amounts necessary to satisfy in full all obligations then due and payable under clauses (1) through (7) of the USD Payment Waterfall.

"USD Secured Debt" means USD First Priority Secured Debt and any series of New Notes.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Indebtedness; *provided* that for purposes of determining the Weighted Average Life to Maturity of any Indebtedness that is being modified, refinanced, refunded, renewed, replaced or extended, the effects of any prepayments or amortization made on such Indebtedness prior to the date of the applicable modification, refinancing, refunding, renewal, replacement or extension shall be disregarded.

Book-Entry, Delivery and Form

The New Notes that are initially offered and sold in the United States to QIBs pursuant to the Exchange Offers will be represented by beneficial interests in Rule 144A Global Notes (the "Rule 144A Global Notes") in registered

form without interest coupons, which will be deposited on or about each Settlement Date with the custodian and registered in the name of Cede & Co. as nominee of DTC.

The New Notes that are offered and sold in reliance on Regulation S pursuant to the Exchange Offers will be represented by beneficial interests in Regulation S Global Notes (the "Regulation S Global Notes" and, collectively with the Rule 144A Global Notes, the "Global Notes") in registered form without interest coupons, which will be deposited on or about each Settlement Date with the custodian, and registered in the name of Cede & Co., as nominee of DTC. Investors may hold their interests in the Global Notes directly through DTC if they are participants in, or indirectly through organizations which are participants in, such systems. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are participants in DTC.

So long as DTC or its nominee is the registered holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the New Notes represented by the applicable Global Note for all purposes under the New Notes Indenture and the New Notes. The New Notes (including beneficial interests in the Global Notes) will be subject to certain restrictions on transfer set forth therein and in the New Notes Indenture and will bear a legend regarding such restrictions as set forth under "Transfer Restrictions." Under certain circumstances, transfers may be made only upon receipt by any transfer agent of a written certification (in the form set out in the New Notes Indenture).

Transfers within the Global Notes

Subject to the procedures and limitations described herein, transfers of beneficial interests within a Global Note may be made without delivery to the New Notes Issuer or the Trustee of any written certifications or other documentation by the transferor or transferee.

Transfers between the Global Notes

A beneficial interest in a Rule 144A Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through a Regulation S Global Note only upon receipt by any transfer agent of a written certification (in the form set out in the New Notes Indenture) from the transferor to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or, in the case of an exchange occurring following the expiration of the distribution compliance period, Rule 144.

Prior to the expiration of the distribution compliance period, a beneficial interest in a Regulation S Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through a Rule 144A Global Note only upon receipt by any transfer agent of a written certification (in the form set out in the New Notes Indenture) from the transferor to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States and any other jurisdiction. After the expiration of the distribution compliance period, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to applicable transfer restrictions under the Securities Act and the laws of any state of the United States and other jurisdictions.

Any beneficial interest in a Rule 144A Global Note or a Regulation S Global Note that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Note will, upon transfer, cease to be a beneficial interest in such Global Note and become a beneficial interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Note for so long as such person retains such an interest.

Transfers or exchanges from a Global Note to Definitive Notes

No Global Note may be exchanged in whole or in part for Notes in definitive registered form ("Definitive Notes") unless:

- DTC notifies the New Notes Issuer that it is unwilling or unable to hold the applicable Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, and in each case the New Notes Issuer does not appoint a successor depositary that is registered under the Exchange Act within 90 days;
- an Event of Default has occurred and is continuing;
- in the event of a bankruptcy default, the New Notes Issuer fails to make payment on the New Notes of the relevant series when due; or
- the New Notes Issuer shall have determined in its sole discretion that the New Notes of the relevant series shall no longer be represented by the applicable Global Notes.

The holder of a Definitive Note may transfer such Note by surrendering it at the specified office of the Registrar or any transfer agent. Upon the transfer, exchange or replacement of Definitive Notes bearing the applicable legend set forth under "Transfer Restrictions," or upon specific request for removal of such legend on a Definitive Note, the New Notes Issuer will deliver only Definitive Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the New Notes Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel as may reasonably be required by the New Notes Issuer, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the New Notes which are issued in global certificated form are exchanged for New Notes in definitive registered form or definitive registered notes, the New Notes Issuer will appoint and maintain a paying agent in Singapore, where the certificates in definitive form in respect of New Notes may be presented or surrendered for payment or redemption. In addition, in the event that the New Notes which are issued in global certificated form are exchanged for New Notes in definitive registered form or definitive registered notes, an announcement of such exchange shall be made by or on behalf of the New Notes Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the certificates in definitive form, including details of the paying agent in Singapore.

Except as set forth in this section, no Global Note may be exchanged in whole or in part for Definitive Notes.

Clearing and Settlement

The information set out below in connection with DTC is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect. The information about DTC set forth below has been obtained from sources that the New Notes Issuer believes to be reliable, but none of the Existing Notes Issuer, the Obligors, the Dealer Managers or the Financial Advisor takes any responsibility for the accuracy of the information. None of the Existing Notes Issuer, the Obligors, the Dealer Managers or the Financial Advisor will have any responsibility or liability for any aspect of the records relating to, or payments made on account of interests in, Notes held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for DTC participants, and to facilitate the clearance and settlement of transactions between DTC participants through electronic book-entry changes in accounts of DTC participants, thereby eliminating the need for physical movement of certificates. DTC participants include certain of the Dealer Managers, securities brokers and dealers, banks, trust companies, clearing corporations and may in the future include certain other organizations ("DTC participants"). Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly ("indirect DTC participants").

Under the rules, regulations, and procedures creating and affecting DTC and its operations (the "Rules"), DTC is required to make book-entry transfers of Notes among DTC participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system as described below (the "DTC Notes") and to receive and

transmit distributions of the nominal amount and interest on the DTC Notes. DTC participants and indirect DTC participants with which beneficial owners of DTC Notes ("Owners") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through DTC participants or indirect DTC participants will not possess Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which such Owners will receive payments and will be able to transfer their interests with respect to the New Notes.

Transfers of ownership or other interests in the New Notes in DTC may be made only through DTC participants. Indirect DTC participants are required to effect transfers through a DTC participant. DTC has no knowledge of the actual beneficial owners of the New Notes. DTC's records reflect only the identity of the DTC participants to whose accounts the New Notes are credited, which may not be the beneficial owners. DTC participants will remain responsible for keeping account of their holdings on behalf of their customers and for forwarding all notices concerning the New Notes to their customers.

So long as DTC, or its nominee, is the registered holder of a Global Note, payments on the applicable Notes will be made in immediately available funds to DTC. DTC's practice is to credit DTC participants' accounts on the applicable payment date in accordance with their respective holdings shown on its records, unless DTC has reason to believe that it will not receive payment on that date. Payments by DTC participants to beneficial owners will be governed by standing instructions and customary practices, and will be the responsibility of the DTC participants and not of DTC, or any other party, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to DTC is the responsibility of the Trustee. Disbursement of payments for DTC participants will be DTC's responsibility, and disbursement of payments to the beneficial owners will be the responsibility of DTC participants and indirect DTC participants.

Because DTC can only act on behalf of DTC participants, who in turn act on behalf of indirect DTC participants, and because owners of beneficial interests in the New Notes holding through DTC will hold interests in the New Notes through DTC participants or indirect DTC participants, the ability of the owners of the beneficial interests to pledge Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to the New Notes, may be limited.

DTC will take any action permitted to be taken by an Owner only at the direction of one or more DTC participants to whose account with DTC such Owner's DTC Notes are credited. In addition, DTC has advised the New Notes Issuer that it will take such actions with respect to any percentage of the beneficial interest of Owners who hold Notes through DTC participants or indirect DTC participants only at the direction of and on behalf of DTC participants whose account holders include undivided interests that satisfy any such percentage.

To the extent permitted under applicable law and regulations, DTC may take conflicting actions with respect to other undivided interests to the extent that such actions are taken on behalf of DTC participants whose account holders include such undivided interests.

Ownership of interests in the Rule 144A Global Notes and the Regulation S Global Notes will be shown on, and the transfer of that ownership will be effected only through records maintained by, DTC, the DTC participants and the indirect DTC participants, including Euroclear and Clearstream. Transfers between participants in DTC, as well as transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with DTC rules.

Subject to compliance with the transfer restrictions applicable to the New Notes, cross-market transfers between DTC, on the one hand, and participants in Euroclear or Clearstream on the other hand, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream as the case may be. Such cross-market transactions, however, will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures, and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to DTC to take action to effect final settlement on its behalf by delivering or receiving payment in accordance with DTC's Same-Day Funds Settlement System.

According to DTC, the foregoing information with respect to DTC has been provided to the industry for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind. Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of DTC, Euroclear and Clearstream they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the New Notes Issuer nor the Trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Initial Settlement in Relation to DTC Notes

Upon the issue of a Regulation S Global Note and/or a Rule 144A Global Note deposited with DTC or a custodian therefor, DTC or its custodian, as the case may be, will credit, on its internal system, the respective nominal amount of the individual beneficial interest represented by such relevant DTC Note or Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant dealers. Ownership of beneficial interest in a DTC Note will be limited to DTC participants, including Euroclear and Clearstream or indirect DTC participants. Ownership of beneficial interests in DTC Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC participants) and the records of DTC participants (with respect to interests of indirect DTC participants).

Investors that hold their interests in a DTC Note will follow the settlement procedures applicable to global bond issues. Investors' securities custody accounts will be credited with their holdings against payment in same-day funds on the settlement date.

Secondary Market Trading in Relation to DTC Notes

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date. Although DTC has agreed to the following procedures in order to facilitate transfers of interests in Global Notes deposited with DTC or a custodian therefor among participants of DTC, DTC is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the New Notes Issuer nor any agent of the New Notes Issuer will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Secondary market trading between DTC participants will be settled using the procedures applicable to global bond issues in same-day funds.

DESCRIPTION OF CERTAIN INDEBTEDNESS AND OTHER OBLIGATIONS

The following is a summary of certain terms of the indebtedness and other obligations (in addition to the New Notes) that will be secured by some or all of the Collateral with effect from the first Settlement Date. The following summaries do not purport to describe all of the applicable terms and conditions of such indebtedness and other obligations. The terms of the Intercreditor Agreement to be entered into in connection with the Secured Obligations and the Collateral are described under "Description of New Notes—Description of Collateral Documents—Shared Collateral and Intercreditor Agreement."

Additional information on our indebtedness and other obligations is included elsewhere in this Offering Memorandum and the documents incorporated by reference into this Offering Memorandum (which include the First Quarter 2023 Form 6-K and the 2022 Form 20-F).

Convertible Debentures

Prior to the Exchange Offers

On October 26, 2020, Azul issued R$1,745.9 million in aggregate principal amount of convertible debentures, which are referred to herein as the Convertible Debentures. The Convertible Debentures are issued pursuant to an indenture (*escritura de emissão de debêntures*) dated October 26, 2020 that is governed by Brazilian law and entered into between Azul, as issuer, Vórtx Distribuidora de Títulos e Valores Mobiliários Ltda., as fiduciary agent for the holders of the Convertible Debentures (the "Convertible Debentures Fiduciary Agent") and Azul Linhas, as guarantor. The payment obligations under the Convertible Debentures are guaranteed by Azul and Azul Linhas pursuant to a guarantee dated October 26, 2020 that is governed by the laws of the State of New York and entered into between Azul and Azul Linhas, as guarantors, and the Convertible Debentures Fiduciary Agent.

The Convertible Debentures mature on October 26, 2025. The Convertible Debentures are convertible into preferred shares of Azul at a conversion price of R$32.2649 per preferred share.

Interest on the Convertible Debentures accrues at the rate of 6.00% per annum and is payable semi-annually on April 26 and October 26 of each year, or if any such date is not a business day in the City of São Paulo, the next following business day.

The Convertible Debentures are redeemable, in whole or in part, in cash at the option of Azul at any time on or after October 26, 2023, if the weighted average price per daily traded volume per American Depositary Share representing Azul's preferred shares ("ADS") is 30% higher than the ADS-equivalent of the conversion price (i) during at least 20 trading sessions of the New York Stock Exchange (the "NYSE"), consecutive or not, during a period of 30 NYSE trading sessions, and (ii) on the trading floor of the NYSE immediately prior to the date that Azul issues a redemption notice.

As of the date of this Offering Memorandum, the Convertible Debentures are secured by (i) a fiduciary transfer (*alienação fiduciária*) in respect of the entire share capital of IntelAzul (Azul's subsidiary that currently owns and is required to keep owning the customer database of the TudoAzul Program), (ii) a fiduciary transfer (*alienação fiduciária*) in respect of specific equipment necessary for maintenance of our hangar at Viracopos airport, (iii) a fiduciary assignment (*cessão fiduciária*) in respect of the right of use of the hangar at Viracopos airport, and (iv) a fiduciary transfer (*alienação fiduciária*) in respect of certain trademarks and certain domain names. Upon the occurrence of an event of default under the Convertible Debentures, Azul is required to pay to IntelAzul a license fee in respect of the relevant intellectual property in the amount of US$40.0 million per annum, payable monthly.

Convertible Debentures Amendments

Certain of the Collateral intended to secure the Secured Obligations (including the New Notes, the Convertible Debentures and the AerCap Secured Obligations) is currently pledged as collateral securing the Convertible Debentures. In addition, the terms of the Convertible Debentures require that a portion of the Contributed Intellectual Property intended to be contributed to IP Co continue to be held by IntelAzul. Furthermore, certain other terms of the Convertible Debentures would prevent Azul and its subsidiaries from consummating the Exchange Offers and issuance of the New Notes by the New Notes Issuer on the terms contemplated by this

Offering Memorandum. Therefore, in order for the Exchange Offers to be consummated and for the New Notes to be issued by the New Notes Issuer as contemplated by this Offering Memorandum, certain amendments (the "Convertible Debentures Amendments") are required to be made to the indenture (*escritura de emissão de debêntures*) governing the Convertible Debentures and certain collateral and other documents are required to be amended or replaced in respect of the Convertible Debentures in order for the Shared Collateral to secure the Secured Obligations (including the New Notes, the Convertible Debentures and the AerCap Secured Obligations) as contemplated by this Offering Memorandum. There can be no assurance that the Convertible Debentures Amendments Condition will be satisfied.

Consummation of the Exchange Offers and the Solicitations is conditional upon, among other things, the Convertible Debentures Amendments being implemented in accordance with the terms of the Convertible Debentures and the related agreements (the "Convertible Debentures Amendments Condition"). If the Convertible Debentures Amendments Condition is not satisfied, the Exchange Offers will not be consummated and, among other things, the relevant collateral that currently secures the Convertible Debentures will not be shared for the benefit of the other Secured Obligations (including the New Notes and the AerCap Secured Obligations). As of the date of this Offering Memorandum, no amendments have been made to the terms of the Convertible Debentures and no amendments will be made to the terms of the Convertible Debentures unless the Convertible Debentures Amendments are implemented in accordance with the terms of the Convertible Debentures and the related agreements.

The Convertible Debentures Amendments require the consent of holders of at least 75% of the aggregate principal amount of the Convertible Debentures to be obtained in a general meeting of holders of the Convertible Debentures (the "Debentureholder Meeting"). The terms of the Convertible Debentures require that the Debentureholder Meeting be convened on not less than 21 days' notice, unless all holders of the Convertible Debentures are present at the Debentureholder Meeting. Azul currently expects to issue the required notices to convene the Debentureholder Meeting shortly after the date of this Offering Memorandum and Azul currently expects that the Debentureholder Meeting will be held on prior to the currently scheduled Expiration Deadline. However, Azul reserves the right to convene and hold the Debentureholder Meeting at any time, subject to compliance with the applicable terms of the Convertible Debentures, if all holders of the Convertible Debentures are present at the Debentureholder Meeting.

Knighthead Capital Management, LLC ("Knighthead") and Certares Management LLC ("Certares") currently hold substantially all of the aggregate principal amount of the Convertible Debentures. On June 13, 2023, Azul entered into a debentureholder consent support agreement with an entity through which Knighthead and Certares hold the Convertible Debentures (the "Support Agreement"). Pursuant to the Support Agreement, subject to certain terms and conditions, the entity through which Knighthead and Certares hold the Convertible Debentures agreed, among other things, to (i) support the approval of the Convertible Debentures Amendments, (ii) be present (or be present via proxy) at the Debentureholder Meeting, (iii) vote (or cause to be voted) all of its Convertible Debentures in favor of the Convertible Debentures Amendments at the Debentureholder Meeting, and (iv) not transfer its Convertible Debentures prior to the conclusion of the Debentureholder Meeting.

As a condition to agreeing to enter into the Support Agreement and to vote in favor of the Convertible Debentures Amendments, Knighthead and Certares required that certain amendments be made to the commercial terms of the Convertible Debentures. Therefore, in addition to the Convertible Debentures Amendments that are a condition to the consummation of the Exchange Offers, the following additional amendments to the terms of the Convertible Debentures, among others, are proposed to be approved in the Debentureholder Meeting (each of which shall be effective as from the Closing Date):

- The maturity date of the Convertible Debentures will be extended to October 26, 2028.
- The New Notes Issuer, Azul Viagens, IntelAzul, IP Co and IP HoldCo will be added as guarantors of the Convertible Debentures.
- The rate of interest payable on the Convertible Debentures will be 10.5% per annum, except that (i) with effect from the New First Priority Financing Closing Date, the rate of interest payable on the Convertible Debentures will be the same rate of interest as the New First Priority Financing, and (ii) in the event that the New First Priority Financing Closing Date does not occur by September 30, 2023, the rate of interest

payable on the Convertible Debentures will be a rate of interest per annum equal to the average yield to maturity on the New 2029 Notes for the 10 trading days prior to September 30, 2023 minus 200 basis points (i.e., 2.0%).

- On the first interest payment date under the Convertible Debentures after the New First Priority Financing Closing Date (the "True-Up Date"), Azul or holders of the Convertible Debentures, as applicable, will make a payment to the other party (which may be netted against any other payment due on such date) to "true-up" such other party in an amount equal to the difference between the interest actually paid by Azul under the Convertible Debentures and the same rate of interest as the New First Priority Financing from the Closing Date to the True-Up Date; *provided* that if New First Priority Financing Closing Date has not occurred by September 30, 2023, neither party shall have any obligation to make any "true-up" payment.

- Within 25 business days following the New First Priority Financing Closing Date, Azul will be required to repurchase the equivalent of US$100.0 million in aggregate principal amount of the Convertible Debentures (plus PIK interest paid thereon) at a repurchase price equal to 120% of the principal amount thereof, and accrued and unpaid interest (the "Convertible Debentures Mandatory Repurchase"). PIK interest accrued and was paid as additional principal amount on the Convertible Debentures at a rate of 7.500% per annum based on a year with 360 days.

- In the three months following the New First Priority Financing Closing Date, Azul shall have the right, exercisable at its sole discretion, to repurchase the equivalent of US$60.0 million in aggregate principal amount of the Convertible Debentures (plus PIK interest paid thereon) at a repurchase price equal to 130% of the principal amount thereof, and accrued and unpaid interest.

- The conversion price applicable to the Convertible Debentures shall be amended to a new initial conversion price calculated as a 30% premium to the 20-day volume weighted average price of Azul's preferred shares for the 20 trading days commencing on the earlier of (i) the New First Priority Financing Closing Date, and (ii) July 31, 2023; provided that the conversion price shall not exceed R$29.00 per preferred share and shall not be lower than R$20.00 per preferred share. In addition, certain amendments will be made to the anti-dilution protections provided in favor of the holders of the Convertible Debentures.

- The Convertible Debentures will be amended to update and replace the existing collateral provisions to provide that (i) the Convertible Debentures are secured by the Shared Collateral, as described in this Offering Memorandum, and (ii) the Convertible Debentures shall continue to be secured by (a) a fiduciary transfer (*alienação fiduciária*) in respect of specific equipment necessary for maintenance of our hangar at Viracopos airport, and (b) a fiduciary assignment (*cessão fiduciária*) in respect of the right of use of the hangar at Viracopos airport. In connection therewith, the Convertible Debentures will also be amended to remove an existing provision that permits certain collateral securing the Convertible Debentures to be released in certain circumstances.

- The Convertible Debentures will be amended to remove the provision that, upon the occurrence of an event of default under the Convertible Debentures, Azul is required to pay to IntelAzul a license fee in respect of the relevant intellectual property in the amount of US$40.0 million per annum, payable monthly.

- Unless the holders of the Convertible Debentures otherwise consent, Azul and its subsidiaries will only be entitled to incur the Indebtedness under a New First Priority Financing if (i) pricing or signing of the New First Priority Financing occurs no later than July 31, 2023, and (ii) Azul and its subsidiaries enter into binding framework agreements (or equivalent documents) for permanent amendments to leases and other obligations with certain of its aircraft lessors and original equipment manufacturers that are consistent with certain agreed principles, it being understood that the effectiveness of the proposed amendments shall be subject to the satisfaction of certain conditions that can only be satisfied after closing of the New First Priority Financing. The terms of the Convertible Debentures will also be amended to include certain additional restrictions on the incurrence of Indebtedness that can be secured by the Shared Collateral.

- The terms of the Convertible Debentures will be amended to include make-whole fundamental change provisions that provide holders of the Convertible Debentures the right to require Azul to repurchase their

Convertible Debentures at 100% of the principal amount thereof in connection with the occurrence of certain fundamental changes, including certain change of control transactions, certain merger and other transactions, certain events of liquidation or dissolution or certain delisting events. In addition, the conversion price of the Convertible Debentures shall be amended to reflect a make-whole redemption premium for a conversion of the Convertible Debentures in connection with such fundamental change. In connection with the occurrence of certain public merger and acquisition transactions, subject to the consent of the holders of the Convertible Debentures, the Convertible Debentures will be amended, or the Convertible Debentures will be replaced with a new convertible or exchangeable bond, so that the underlying equity (i.e., the reference property) of the Convertible Debentures or such replacement convertible or exchangeable bond is the consideration received by Azul's preferred shareholders in connection with such transaction. In connection with the addition of the aforementioned make-whole fundamental change provisions, the Convertible Debentures will be amended to remove any existing event of default under the Convertible Debentures that would be triggered upon any change of control or other fundamental change of the Azul or its subsidiaries.

As described above, in order for the Exchange Offers to be consummated and for the New Notes to be issued by the New Notes Issuer as contemplated by this Offering Memorandum, the Convertible Debentures Amendments are required to be made to the indenture (*escritura de emissão de debêntures*) governing the Convertible Debentures and certain collateral and other documents in respect of the Convertible Debentures in order for the Shared Collateral to secure the Secured Obligations (including the New Notes, the Convertible Debentures and the AerCap Secured Obligations) as contemplated by this Offering Memorandum. There can be no assurance that the Convertible Debentures Amendments Condition will be satisfied.

Following Consummation of the Exchange Offers

Upon consummation of the Exchange Offers and the issuance of the New Notes by the New Notes Issuer as contemplated by this Offering Memorandum, the Convertible Debentures shall constitute First Priority Secured Obligations, and the maximum aggregate principal amount of such First Priority Secured Obligations would be R$1,759.6 million (or US$346.4 million based on the commercial selling rate published by the Central Bank on March 31, 2023, which was R$5.0804 per US$1.00). The Convertible Debentures mature on October 26, 2025. Therefore, assuming that all payment and other obligations under the Convertible Debentures are complied with by such date, the Convertible Debentures would be discharged and would thereby cease to constitute First Priority Secured Obligations.

AerCap Secured Obligations

Prior to the Exchange Offers

On April 4, 2023, (i) Azul Linhas, as lessee, and certain lessors of aircraft (the "Relevant Lessors") entered into a forbearance agreement (the "AerCap Forbearance Agreement"), and (ii) Azul Linhas, as lessee, Azul, as guarantor, and the Relevant Lessors entered into a global partial deferral agreement (the "AerCap Deferral Agreement"), in each case in connection with leases of 57 aircraft (the "Relevant Leases").

Pursuant to the AerCap Deferral Agreement, the Relevant Lessors agreed to defer certain payments due to be made by Azul Linhas between January 1, 2023 and June 30, 2023 under the Relevant Leases, which totaled US$114.3 million in rent and other amounts due and payable to the Relevant Lessors. Pursuant to the terms of the AerCap Deferral Agreement, the final payment of the deferred lease payments covered by the AerCap Deferral Agreement is scheduled to be made by December 1, 2024.

Pursuant to the AerCap Deferral Agreement, the Relevant Lessors agreed to defer certain payments due to be made by Azul Linhas between January 1, 2023 and June 30, 2023 under the Relevant Leases, which totaled US$80 million or US$100 million in rent (depending on whether certain conditions set forth therein were met by on or prior to May 1, 2023). Pursuant to the terms of the AerCap Deferral Agreement, the payment of the deferred lease payments covered by the AerCap Deferral Agreement is scheduled to be concluded by December 1, 2024.

Pursuant to the AerCap Forbearance Agreement, the Relevant Lessors agreed to forbear from exercising certain rights arising in respect of defaults under the Relevant Leases until July 31, 2023, subject to certain conditions and

the earlier termination of such forbearance in certain circumstances (including termination events related to Azul's efforts to restructure its aircraft lease and debt obligations and debt capital markets instruments, as well as the raising of additional debt or equity financing). In connection with the AerCap Forbearance Agreement, Azul Viagens was required to enter into a collateral agreement in respect of certain trademarks and other intellectual property in favor of AerCap Administrative Services Limited, acting as security trustee on behalf of the Relevant Lessors (the "Leases Security Trustee") (the "Leases IP Collateral Agreement") on or prior to June 30, 2023. The Leases Security Trustee was appointed to act as security trustee for the Relevant Lessors pursuant to a security trustee appointment deed dated April 4, 2023.

Effectiveness of the payment deferrals provided for in the AerCap Deferral Agreement is conditional upon, among other requirements, (i) the entry into of a fiduciary assignment (*alienação fiduciária*) of all of the quotas of the capital stock of Azul Viagens in favor of the Leases Security Trustee, which was entered into on April 4, 2023 (the "Leases Capital Stock Collateral Agreement"), and (ii) no termination event having occurred under the AerCap Forbearance Agreement. Termination events under the AerCap Forbearance Agreement include, but are not limited to: (i) liquidation, administration, reorganization of Azul Linhas, Azul, or the Issuer or other relief under any bankruptcy, insolvency or other similar law, (ii) certain procedures in relation to the suspension of payments, a moratorium of certain indebtedness, reorganization, composition, compromise, assignment or arrangement by Azul and its subsidiaries, (iii) certain payments to, for the benefit of, or for the account of lessors of aircraft and/or engines, (iv) certain events occurring which has a material adverse effect. In addition, pursuant to the AerCap Deferral Agreement, Azul Linhas agreed to procure that Azul Viagens directs all persons making payments to it or for its benefit shall make such payments to an account in Brazil that is subject to a security interest in favor of a collateral agent for the Relevant Lessors, which requirement was satisfied by the entry into of a receivables and collateral account fiduciary assignment (*cessão fiduciária*) on April 14, 2023 between the Leases Security Trustee, TMF Brasil Administração e Gestão de Ativos Ltda., as the Brazilian security agent, and Azul Viagens, as assignor (the "Leases Receivables Collateral Agreement").

The Leases Capital Stock Collateral Agreement, and the Leases Receivables Collateral Agreement (together, the "Leases Collateral Agreements") secure certain obligations and liabilities under the Relevant Leases. The terms of the Leases Collateral Agreements provide that the collateral granted in favor of the Leases Security Trustee for the benefit of the Relevant Lessors may also be granted as collateral to other creditors of Azul and its subsidiaries, including Azul Linhas, in certain circumstances and subject to certain conditions. The terms of the Leases Collateral Agreements *provided* that the Relevant Lessors have agreed that the Leases Collateral Agreements may be amended to implement such sharing of collateral, including the entering into of an intercreditor agreement in connection therewith.

AerCap Secured Obligations Amendments

As contemplated by the terms of the New Notes and the Intercreditor Agreement, with effect from the issuance of the New Notes by the New Notes Issuer on the first Settlement Date, the AerCap Secured Obligations will constitute First Priority Secured Obligations and will therefore be secured on a "first out" basis by all of the Shared Collateral.

Therefore, in order for the Exchange Offers to be consummated and for the New Notes to be issued by the New Notes Issuer as contemplated by this Offering Memorandum, certain amendments (the "AerCap Secured Obligations Amendments") are required to be made to the AerCap Deferral Agreement, the AerCap Forbearance Agreement, and the Lease Collateral Agreements and related documents are required to be replaced in order for the Shared Collateral to secure the Secured Obligations (including the New Notes, the AerCap Secured Obligations and the Convertible Debentures) as contemplated by this Offering Memorandum.

The AerCap Secured Obligations Amendments include amendments (or amendments and restatements, or replacements, as applicable) to the AerCap Forbearance Agreement, the AerCap Deferral Agreement, the Lease Collateral Agreements and other documents in order to contemplate and permit the relevant transactions contemplated in this Offering Memorandum, including to (i) provide that the relevant Shared Collateral shall secure the Secured Obligations (including the AerCap Secured Obligations), (ii) permit the Intercreditor Agreement to be entered into by the Leases Security Trustee (as a First Priority Secured Debt Representative) on behalf of the Relevant Lessors (as First Priority Secured Parties) and (iii) clarify that the maximum aggregate amount of the

obligations to be secured by the Shared Collateral will be limited to a specified amount expected to be approximately US$105 million.

Consummation of the Exchange Offers and the Solicitations is conditional upon, among other things, the AerCap Secured Obligations Amendments being implemented in accordance with the terms of the AerCap Deferral Agreement, the AerCap Forbearance Agreement, the Lease Collateral Agreements and related documents (the "AerCap Secured Obligations Amendments Condition"). If the AerCap Secured Obligations Amendments Condition is not satisfied, the Exchange Offers will not be consummated and, among other things, the relevant collateral that currently secures the AerCap Secured Obligations will not be shared for the benefit of the New Notes, the Convertible Debentures or any other Secured Obligations. There can be no assurance that the AerCap Secured Obligations Amendments Condition will be satisfied.

Following Consummation of the Exchange Offers

Upon consummation of the Exchange Offers and the issuance of the New Notes by the New Notes Issuer as contemplated by this Offering Memorandum, the AerCap Secured Obligations shall constitute First Priority Secured Obligations, and the maximum aggregate amount of the AerCap Secured Obligations shall be a specified amount expected to be approximately US$105 million. Pursuant to the terms of the AerCap Deferral Agreement, payment of the deferred lease payments covered by the AerCap Deferral Agreement is scheduled to be concluded by December 1, 2024. Therefore, assuming that Azul Linhas complies with its obligations under the AerCap Deferral Agreement, the AerCap Secured Obligations would be discharged on December 1, 2024 and would thereby cease to constitute First Priority Secured Obligations on December 1, 2024.

TRANSFER RESTRICTIONS

The following transfer restrictions apply to each of the New Notes. The offering, issuance and sale of the New Notes has not been registered under the Securities Act or any U.S. or other securities laws, and they may not be offered, sold, pledged or otherwise transferred in the United States or to or for the account of any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. and non-U.S. securities laws. Accordingly, the Exchange Offers are being made and the New Notes are being offered and issued in exchange for Existing Notes only (i) to QIBs and (ii) outside the United States, to persons other than "U.S. persons" as defined in Rule 902 under the Securities Act ("Regulation S Holders") in compliance with Regulation S under the Securities Act.

Each participating Eligible Holder of Existing Notes, by submitting or sending an Agent's Message to the Exchange Agent in connection with the tender of Existing Notes, will have represented and agreed as follows, will be deemed to have:

1. represented that it is (a) acquiring the New Notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB, and is aware, and each beneficial owner of such New Notes has been advised, that the sale to it is being made in a transaction exempt from registration under the Securities Act, or (b) a Regulation S Holder, and (c) if resident and/or located in a Relevant State, not a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, (ii) a customer within the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in the Prospectus Regulation and (d) if resident and/or located in the United Kingdom, either (i) a person having professional experience in matters relating to investments and falling within the definition of investment professionals as defined in Article 19(5) of the Financial Promotion Order, (ii) a person falling within Article 43(2) of the Financial Promotion Order, or (iii) a person to whom this Offering Memorandum and other documents or materials relating to the New Notes may otherwise lawfully be communicated in accordance with the Financial Promotion Order;

2. acknowledged that (a) the New Notes are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the Securities Act and (b) the offering, issuance and sale of the New Notes has not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold except as set forth below;

3. agreed that it shall not, within the time period referred to in Rule 144(d) under the Securities Act after the original issuance of the New Notes, offer, resell, pledge or otherwise transfer any such New Notes except (a) to Obligors or any of their respective subsidiaries, (b) in the United States, so long as the New Notes remain eligible for resale pursuant to Rule 144A, to a person who it reasonably believes is a QIB acquiring for its own account or for the account of one or more other QIBs in a transaction meeting the requirements of Rule 144A and to whom notice is given that such resale, pledge or transfer is being made in reliance on Rule 144A, (c) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), (d) outside the United States in compliance with Rule 904 of Regulation S under the Securities Act, or (e) pursuant to an effective registration statement under the Securities Act and, in each case, in compliance with applicable state securities laws and securities laws of any other jurisdiction. Subject to the procedures set forth under the heading "Book-Entry Notes," prior to any proposed transfer of any of the New Notes (other than pursuant to an effective registration statement) within the time period referred to in Rule 144(d) under the Securities Act, the holder thereof must check the appropriate box set forth on the reverse of the transfer certificate relating to the manner of such transfer and submit such certificate to the New Notes Trustee;

4. agreed that it will give to each person to whom it transfers the New Notes notice of any restrictions on transfer of such New Notes;

5. if it is a Regulation S Holder outside the United States, (a) acknowledged that the New Notes will be represented by the Regulation S Global Note and that transfers are restricted as described under the heading "Book-Entry Notes" and (b) represented and agreed that it will not sell short or otherwise sell, transfer or dispose of the economic risk of the New Notes into the United States or to a U.S. person; if it is a QIB,

acknowledge that the New Notes offered in reliance on Rule 144A will be represented by a Rule 144A Global Note; and that, before any interest in a Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who is not a QIB, the transferee will be required to provide the New Notes Trustee with a written certification (the form of which certification can be obtained from the New Notes Trustee) as to compliance with the transfer restrictions referred to above;

6. acknowledged that the New Notes will bear a legend substantially to the following effect unless otherwise agreed by the New Notes Issuer and the holder thereof:

THIS NEW NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER (1) REPRESENTS THAT (A) IT AND ANY ACCOUNT FOR WHICH IT IS ACTING IS A "QUALIFIED INSTITUTIONAL BUYER" (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) AND THAT IT EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO EACH SUCH ACCOUNT, OR (B) IT IS NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT), IS NOT ACQUIRING THE NEW NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND IS ACQUIRING THE NEW NOTES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES FOR THE BENEFIT OF AZUL INVESTMENTS LLP THAT IT WILL NOT OFFER, SELL PLEDGE OR OTHERWISE TRANSFER THE NEW NOTES OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ONLY (A) TO AZUL INVESTMENTS LLP, AZUL S.A., AZUL LINHAS AÉREAS BRASILEIRAS S.A., INTELAZUL S.A., ATS VIAGENS A TURISMO LTDA., AZUL IP CAYMAN HOLDCO LTD., AND AZUL IP CAYMAN LTD., OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (C) IN THE UNITED STATES, SO LONG AS THE NEW NOTES REMAIN ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON WHO IT REASONABLY BELIEVES IS A QIB ACQUIRING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE OTHER QIBS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A AND TO WHOM NOTICE IS GIVEN THAT SUCH RESALE, PLEDGE OR TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (E) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (2)(E) ABOVE, AZUL SECURED FINANCE LLP, AS ISSUER, RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY RULE 144 EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. IN ADDITION, THE NEW NOTES MAY NOT TRANSFERRED TO OR HELD BY A COMPETITOR (AS DEFINED IN THE NEW NOTES INDENTURE).

7. if it is a Regulation S Holder, acknowledged that until the expiration of the Distribution Compliance Period, any offer or sale of the New Notes shall not be made by it to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act, except in compliance with applicable securities laws;

8. acknowledged that (a) none of the Existing Notes Issuer, the Obligors, the Information Agent, the Exchange Agent, the Dealer Managers, the Financial Advisor or any person acting on behalf of any of the foregoing has made any statement, representation, or warranty, express or implied, to it with respect to us or the offer or sale of any New Notes, other than the information we have included in this Offering Memorandum (as supplemented to the Expiration Deadline), and (b) any information it desires concerning

us and the New Notes or any other matter relevant to its decision to purchase the New Notes (including a copy of this Offering Memorandum) is or has been made available to it;

9. represented and warranted that it (a) is able to act on its own behalf in the transactions contemplated by this Offering Memorandum, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the New Notes, and (c) (or the account for which it is acting) has the ability to bear the economic risks of its prospective investment in the New Notes and can afford the complete loss of such investment;

10. represented and warranted that (a) either (i) such holder is not a Plan (which term includes (A) employee benefit plans that are subject to ERISA, (B) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, or to provisions under applicable Federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code ("Similar Laws") and (C) entities the underlying assets of which are considered to include "plan assets" of any such plans, accounts or arrangements) and it is not holding the Existing Notes on behalf of, or as the "plan assets" of, any Plan; or (ii) such holder's disposition of the Existing Notes and acquisition, holding and disposition of the New Notes either (A) are not a prohibited transaction under ERISA or the Code and are otherwise permissible under all applicable Similar Laws or (B) are entitled to exemptive relief from the prohibited transaction provisions of ERISA and the Code in accordance with one or more available statutory, class or individual prohibited transaction exemptions and are otherwise permissible under all applicable Similar Laws; and (b) such holder will not transfer the New Notes to any person or entity, unless such person or entity could itself truthfully make the foregoing representations and covenants;

11. represented that it is not a Competitor;

12. acknowledged that the Existing Notes Issuer, the Obligors, the Exchange Agent, the Information Agent, the Dealer Managers, the Financial Advisor, the Existing Notes Trustees and the New Notes Trustee will rely upon the truth and accuracy of the acknowledgements, representations and agreements set forth herein and agreed that if any of the acknowledgements, representations and warranties made by its submission of a tender in accordance with the procedures set forth herein, are, at any time prior to the consummation of the applicable Exchange Offer, no longer accurate, it shall promptly notify the Exchange Agent and the Information Agent. If it is tendering the Existing Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

13. acknowledged that neither the Existing Notes 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.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain U.S. federal income tax considerations with respect to the Exchange Offers for beneficial holders of Existing Notes that are U.S. Holders, as defined below. This summary is based on laws, regulations, rulings and decisions now in effect, all of which are subject to change, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular U.S. Holder (including alternative minimum tax and Medicare contribution tax consequences) or to certain types of holders that may be subject to special tax rules (such as banks, other financial institutions, certain former citizens or residents of the United States, tax-exempt entities, insurance companies, regulated investment companies, S corporations, dealers in securities or currencies, the application of Section 451(b) of the Code to taxpayers with applicable financial statements, traders in securities electing to mark to market, U.S. Holders that will hold the New Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction or U.S. Holders that have a "functional currency" other than the U.S. dollar). The discussion is limited to exchanging U.S. Holders that hold the Existing Notes as "capital assets" within the meaning of the Code.

Because the law with respect to certain U.S. federal income tax consequences of the Exchange Offers is uncertain and no ruling has been or will be requested from the United States Internal Revenue Service (the "IRS") on any U.S. federal income tax matter concerning the Exchange Offers, no assurances can be given that the IRS or a court considering these issues would agree with the substance of this summary. This discussion is provided to U.S. Holders of Existing Notes for information purposes only and does not constitute legal advice with respect to the subject matter thereof.

For purposes of the following discussion, a "U.S. Holder" means a beneficial owner of Existing Notes that for U.S. federal income tax purposes is: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or any other entity treated as a corporation) created or organized under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (a) it is subject to the primary supervision of a court within the United States and one or more United States persons, as described in Section 7701(a)(30) of the Code, have the authority to control all of the substantial decisions of the trust or (b) it has a valid election in effect under applicable U.S. Treasury regulations ("Treasury Regulations") to be treated as a United States person.

If an entity or arrangement treated as a partnership for U.S. federal income purposes is a beneficial owner of Existing Notes, the treatment of a partner in the partnership generally will depend on the status of the partnership and the activities of the partnership. A holder of Existing Notes that is a partnership and any partner who owns an interest in such a partnership should consult their tax advisors about the U.S. federal income tax consequences of the Exchange Offers.

The New Notes Issuer is treated as a disregarded entity of Azul Linhas for U.S. federal income tax purposes. Accordingly, for U.S. federal income tax purposes, the New Notes are treated as issued by Azul Linhas.

U.S. HOLDERS OF EXISTING NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE CONSEQUENCES TO THEM OF THE EXCHANGE OFFERS, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX LAWS, AS WELL AS ANY TAX FILING OR REPORTING REQUIREMENTS THAT MAY APPLY TO THE EXCHANGE OFFERS OR THE OWNERSHIP OF THE NEW NOTES. EXCEPT AS SPECIFICALLY NOTED BELOW, THE DISCUSSION THAT FOLLOWS ASSUMES A SIGNIFICANT MODIFICATION OF EACH SERIES OF THE EXISTING NOTES OCCURS.

Consequences of Participating in the Exchange Offers

Treatment of the Exchange of Existing Notes for New Notes

For U.S. federal income tax purposes, the modification or exchange of an old debt instrument for a new debt instrument constitutes a disposition of the old debt instrument if the modified or newly issued instrument differs materially either in kind or in extent from the original debt instrument (a "significant modification"). A modification or exchange of a debt instrument that is not a significant modification does not result in a disposition of

the old debt instrument for U.S. federal income tax purposes. Under applicable regulations, a change in the timing of payments on a debt instrument is a significant modification if the change in timing of payments results in the material deferral of scheduled payments either through an extension of the final maturity or through deferral of payments due prior to maturity. The materiality of the deferral depends on all the facts and circumstances, including the length of the deferral, the original term of the instrument, the amounts of the payments that are deferred, and the time period between the modification and the actual deferral of payments. Pursuant to a safe harbor rule, a deferral of a scheduled payment for a period equal to the lesser of 50% of the original term of the instrument and five years from the original due date of the first payment that is deferred is not treated as a material deferral. In addition, a change in yield of a debt instrument is a significant modification if the yield of the new instrument (determined taking into account any accrued interest and any payments made to the holder as consideration for the modification) varies from the yield on the exchanged instrument (determined as of the date of the exchange) by more than the greater of 0.25% of the "adjusted issue price," or 5% of the annual yield of the exchanged instrument. The yield of the exchanged instrument is calculated based on the adjusted issue price of the bond, and may differ from the yield at which the instrument is trading in the market.

Based on the foregoing rules, we expect, and intend to take the position, that the exchange of Existing Notes for New Notes in the Exchange Offers will constitute a "significant modification" for these purposes, and will accordingly be a taxable exchange unless the exchange qualifies as a recapitalization (as discussed below), and the remainder of this discussion assumes such treatment.

A U.S. Holder that exchanges Existing Notes for New Notes pursuant to the Exchange Offers will realize gain or loss for U.S. federal income tax purposes equal to the difference between the amount realized on disposition of an Existing Note and the U.S. Holder's adjusted tax basis in the Existing Note. Subject to the following sentence, the amount realized on the exchange of Existing Notes for New Notes generally will equal the issue price of the New Notes (as described below). Any cash paid in respect of accrued interest on the Existing Notes will be taxable as such and therefore excluded from the computation of gain or loss. The exchange of Existing Notes for New Notes pursuant to the Exchange Offers will qualify as a "recapitalization" within the meaning of Section 368(a)(1)(E) of the Code for U.S. federal income tax purposes if both the Existing Notes and the New Notes are "securities" for U.S. federal income tax purposes. Whether any instrument is a "security" depends on all facts and circumstances, but a key determining factor for a debt instrument is the length of its term; an original term to maturity of five years or less is generally recognized as evidence that such debt instrument is not a security, while an original term of ten years or more is generally recognized as evidence that such debt instrument is a security. The term of the Existing 2024 Notes, the New 2029 Notes and the New 2030 Notes is less than ten years but greater than five years, and the term of the Existing 2026 Notes is five years. Accordingly, to the extent required for U.S. federal income tax purposes, we intend to take the position that the exchange of the Existing 2024 Notes and for New 2029 Notes is a recapitalization for U.S. federal income tax purposes and the exchange of the Existing 2026 Notes for New 2030 Notes is not a recapitalization for U.S. federal income tax purposes, although these positions are not free from doubt.

Treatment of an Exchange Qualifying as a Recapitalization

Under recapitalization treatment, a U.S. Holder will not recognize loss on the exchange of Existing Notes for New Notes and may recognize gain realized as a result of the exchange (as described above), but only to the extent of the "excess principal" amount of New Notes received. The excess principal amount is the excess, if any, of the principal amount of New Notes received over the principal amount of the Existing Notes surrendered. Subject to the discussion of market discount below, any gain recognized will be capital gain, and will be long-term capital gain if the Existing Notes were held for more than one year. Certain non-corporate U.S. Holders are eligible for preferential rates of U.S. federal income taxation in respect of long-term capital gains.

If the Existing Notes were acquired with market discount, any gain recognized on the exchange of the Existing Notes for New Notes will be treated as ordinary income to the extent of the market discount that accrued during the U.S. Holder's period of ownership, unless the U.S. Holder previously elected to include market discount in income as it accrued. An Existing Note has "market discount" if its stated principal amount exceeds the U.S. Holder's initial tax basis in the Existing Note by, or by more than, a *de minimis* amount.

Subject to the following sentence, a U.S. Holder's holding period for Existing Notes that it disposes of in a recapitalization generally will carry over to the New Notes that it receives in exchange therefor, and its initial tax basis in such New Notes will be the same as its adjusted tax basis in the Existing Notes, increased by the amount of

gain recognized in the exchange, if any. A U.S. Holder's initial tax basis in any excess principal amount of New Notes received in the exchange generally would be equal to the issue price of such New Notes, determined as described below. The U.S. Holder's holding period for such New Notes would start the day following the date of the exchange.

Treatment of an Exchange not Qualifying as Recapitalization

For an exchange that does not qualify as a recapitalization, a U.S. Holder that exchanges Existing Notes for New Notes would generally recognize its entire gain or loss realized on the transaction (as described above). Subject to the discussion of market discount below, any gain or loss recognized will be capital gain or loss, and will be long-term capital gain or loss if the Existing Notes were held for more than one year. Certain non-corporate U.S. Holders may be eligible for preferential rates of U.S. federal income taxation in respect of long-term capital gains. The ability of a U.S. Holder to deduct a capital loss is subject to limitations under the Code.

If an Existing Note was acquired with market discount, any gain recognized on the exchange of the Existing Note for New Notes will be treated as ordinary income to the extent of the market discount that accrued during the U.S. Holder's period of ownership, unless the U.S. Holder previously elected to include market discount in income as it accrued. An Existing Note has "market discount" if its stated principal amount exceeds the U.S. Holder's initial tax basis in the Existing Note by, or by more than, a *de minimis* amount.

A U.S. Holder's initial tax basis in New Notes received in an exchange that does not qualify as a recapitalization generally would be equal to the issue price of the New Notes, determined as described below. The U.S. Holder's holding period for the New Notes received in such exchange would start the day following the date of the exchange.

Issue Price of the New Notes

For New Notes that are treated as "traded on an established market" for applicable U.S. federal income tax purposes, the "issue price" of the New Notes will be the fair market value of the New Notes at the time of the exchange. Our current expectation as of the date of this Offering Memorandum is that any New Notes issued by the New Notes Issuer on the Early Settlement Date should qualify as traded on an established market for these purposes and will be treated as issued with significant OID, as discussed in further detail under "—Interest and OID on the New Notes" below. In addition, as of the date of this Offering Memorandum, we expect that New Notes that are issued by the New Notes Issuer on the Final Settlement date will be issued by the New Notes Issuer within thirteen days (inclusive) of the Early Settlement Date, in which case such New Notes will be treated as part of the same "issue" as the New Notes issued by the New Notes Issuer on the Early Settlement Date for U.S. federal income tax purposes and have the same "issue price" as the New Notes issued by the New Notes Issuer on the Early Settlement Date for those purposes. However, there can be no assurance that the Final Settlement Date will occur within the thirteen-day period described in the preceding sentence. If the Final Settlement Date does not occur within this thirteen-day period, New Notes issued by the New Notes Issuer on the Final Settlement Date may not be considered fungible with New Notes issued by the New Notes Issuer on the Early Settlement Date (unless such New Notes are treated as issued in a "qualified reopening" for U.S. federal income tax purposes), in which case we generally expect to make a determination that the Fungibility Condition (as described under "Description of the Exchange Offers and the Solicitations—Conditions to the Exchange Offers and the Solicitations") with respect to the New Notes that are issued by the New Notes Issuer on the Final Settlement Date is not satisfied. In such a case, and if the Existing Notes Issuer elects to waive the Fungibility Condition, we expect that any New Notes issued by the New Notes Issuer on the Final Settlement Date would have a separate CUSIP number (as described under "Description of New Notes—Further Issues"). We expect to make information regarding the fair market value and issue price of the New Notes, as well as the amount of any resulting OID that may exist in respect of the New Notes, available to holders within a reasonable period following the Final Settlement Date. U.S. Holders should consult their tax advisors regarding the determination of the issue price of New Notes received pursuant to the Exchange Offers and the related U.S. federal income tax considerations for such U.S. Holders.

No Cash Received in Lieu of Fractional New Notes

As described above in the section "Description of the Exchange Offers and the Solicitations—No Fractional Amount of New Notes," no cash will be paid in lieu of fractional New Notes that are less than an integral multiple of

US$1.00. Assuming the exchange of Existing Notes for New Notes in the relevant Exchange Offer occurs as part of a "recapitalization" within the meaning of Section 368(a)(1)(E) of the Code, in which the amount of any loss is generally not able to be recognized, the U.S. federal income tax treatment of the failure to pay cash in lieu of fractional New Notes is unclear. U.S. Holders should consult their tax advisors regarding the potential U.S. federal income tax implications of not receiving cash in lieu of fractional New Notes.

Ownership of the New Notes

Potential Contingent Payment Debt Treatment

In certain circumstances, the New Notes Issuer may be required to pay amounts on the New Notes in addition to or at different times than the scheduled payments of stated principal and interest (e.g., in the circumstances described under "Description of New Notes—General—Interest Rate Step-up," "Description of New Notes—Mandatory Prepayments; No Sinking Fund," "Description of New Notes—Optional Redemption" and "Description of New Notes—Offers to Purchase"). Although the issue is not free from doubt, the New Note Issuer intends to take the position that payments of such amounts will not result in the New Notes being treated as contingent payment debt instruments under the applicable Treasury Regulations. This position is not binding on the IRS. If the IRS successfully takes a contrary position, U.S. Holders would be required to treat any gain recognized on the sale or other disposition of the New Notes as ordinary income rather than as capital gain. Furthermore, U.S. Holders would be required to accrue interest income on a constant yield basis at an assumed yield determined at the time of issuance of the New Notes, with adjustments to such accruals when any contingent payments are made that differ from the payments calculated based on the assumed yield. U.S. Holders should consult their tax advisors regarding the tax consequences of the New Notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the New Notes are not treated as contingent payment debt instruments.

Interest and OID on the New Notes

Stated interest on a New Note, including any additional amounts, will generally be taxable to a U.S. Holder as ordinary income at the time it is paid or accrued, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

As described above, we expect the New Notes to be issued by the New Notes Issuer with significant OID for U.S. federal income tax purposes. For these purposes, OID is defined as the excess of the "stated redemption price at maturity" of a debt instrument over its "issue price." The "stated redemption price at maturity" of the New Notes is the sum of all payments required to be made on the New Notes other than "qualified stated interest" payments, as defined below. The "issue price" of the New Notes will be determined as described above under "—Issue Price of the New Notes." The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash at least annually, and accordingly, stated interest on the New Notes should be qualified stated interest.

A U.S. Holder of an OID debt security is generally required to include in income the sum of the daily accruals of the OID for the debt security for each day during the taxable year (or portion of the taxable year) in which the U.S. Holder held the OID debt security, regardless of such holder's regular method of accounting. Thus, we expect that a U.S. Holder of New Notes will be required to include OID in income in advance of the receipt of some or all of the related cash payments. The daily portion is determined by allocating the OID for each day of the accrual period. An accrual period may be of any length and the accrual periods may even vary in length over the term of the OID debt security, *provided* that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day of an accrual period or on the final day of an accrual period. The amount of OID allocable to an accrual period is equal to the excess of: (1) the product of the "adjusted issue price" of the OID debt security at the beginning of the accrual period and its yield to maturity (computed generally on a constant yield method and compounded at the end of each accrual period, taking into account the length of the particular accrual period) over (2) the amount of any qualified stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "adjusted issue price" of an OID debt security at the beginning of any accrual period is the sum of the issue price of the OID debt security plus the amount of OID allocable to all prior accrual periods reduced by any payments received on the OID debt security that were not

qualified stated interest. Under these rules, a U.S. Holder generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

Interest income and OID received or accrued on a note generally will be considered foreign-source income and, for purposes of the U.S. foreign tax credit, generally will be considered "passive category income," with certain exceptions. The rules governing foreign tax credits are complex and, therefore, U.S. Holders are urged to consult their tax advisors regarding the availability of a foreign tax credit under their particular circumstances.

With respect to the exchange of Existing Notes for New Notes on the Final Settlement Date (if any), a portion of the stated interest received on the first interest payment date of such New Notes held by such a U.S. Holder, in an amount equal to the amount deducted from the accrued but unpaid interest otherwise payable by the Existing Notes Issuer in respect of the Existing Notes, may be treated as a nontaxable return of such accrued interest, resulting in a reduction in such U.S. Holder's basis in its New Notes and not as a taxable payment of interest on the New Note. However, such treatment is not entirely clear and will generally depend upon whether any New Notes issued by the New Notes Issuer on the Final Settlement Date are either considered fungible or non-fungible with New Notes issued by the New Notes Issuer on the Early Settlement Date, if any, and whether we are able to apply the principles under Treasury Regulation 1.1273-2(m) to exclude any pre-issuance accrued interest from the issue price of any New Notes issued by the New Notes Issuer on the Final Settlement Date. U.S. Holders that exchange Existing Notes for New Notes on the Final Settlement Date should consult their tax advisors regarding the potential U.S. federal income tax implications of receiving stated interest on the first interest payment date for such New Notes.

Amortizable Bond Premium

A U.S. Holder will have acquired a New Note with "amortizable bond premium" if the principal balance is less than the U.S. Holder's initial tax basis in New Note (as described above under "Consequences of Participating in the Exchange Offers"). A U.S. Holder may elect to amortize the premium (as an offset to interest income), using a constant-yield method, over the remaining term of the New Note. This election, once made, generally applies to all bonds held or subsequently acquired by the U.S. Holder on or after the first day of the taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. Holder that elects to amortize bond premium must reduce its tax basis in the New Note by the amount of the premium amortized during its holding period. With respect to a U.S. Holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. Holder's tax basis when the New Note matures or is disposed of by the U.S. Holder. Therefore, a U.S. Holder that does not elect to amortize bond premium and that holds the New Note to maturity generally will be required to treat the premium as capital loss when the New Note matures. U.S. Holders should consult their tax advisors about the election to amortize bond premium.

Market Discount

A U.S. Holder will have acquired a New Note with market discount if the principal balance exceeds the U.S. Holder's initial tax basis in New Note (as described above under "Consequences of Participating in the Exchange Offers") by, or by more than, a prescribed *de minimis* amount. In this case, gain realized by the U.S. Holder on the disposition of such New Note generally will be treated as ordinary income to the extent of the sum of (i) market discount that carried over to the New Note and (ii) market discount accrued on the New Note while held by the U.S. Holder, in both cases to the extent the market discount has not previously been included in income. In addition, a U.S. Holder could be required to defer the deduction of a portion of the interest paid on any indebtedness treated as incurred or maintained to purchase or carry the New Note.

A U.S. Holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis) in lieu of treating a portion of any gain realized on a sale of the New Note as ordinary income. If a U.S. Holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any such election, if made, applies to all market discount bonds acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies and is revocable only with the consent of the IRS.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of the New Notes

In general, subject to the discussion above regarding market discount, a disposition of a New Note by a U.S. Holder should result in taxable gain or loss equal to the difference between the amount realized (except to the extent attributable to accrued but unpaid interest on the New Note which amount should be taxable as described above under—"Interest and OID on the New Notes") and the U.S. Holder's adjusted tax basis in such New Note immediately before such disposition (which should reflect any OID and market discount previously included in income). Such gain or loss will be capital gain or loss and will generally be treated as U.S. source gain or loss. Capital gains of non-corporate U.S. Holders (including individuals) derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

If we undergo certain transactions, as described under "Description of New Notes—Covenants—Consolidation, Merger and Conveyance, Transfer and Lease of Assets" and "Description of New Notes—Modification and Waiver" above, a deemed taxable exchange of any outstanding New Notes may occur for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors regarding the potential U.S. federal income tax implications of such a deemed taxable exchange.

Substitution of the New Notes Issuer

The New Notes Issuer may, subject to certain conditions, be replaced and substituted by Azul or one of Azul's wholly-owned subsidiaries as principal debtor in respect of the New Notes (see "Description of New Notes—Substitution of the New Notes Issuer"), which may be treated for U.S. federal income tax purposes as a deemed exchange of the New Notes for new notes and result in certain adverse tax consequences to U.S. Holders. The New Notes Issuer and the Substituted Issuer will have an obligation to indemnify each noteholder against all taxes or duties which arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective, which may be incurred or levied against such holder as a result of any substitution described under "Description of New Notes—Substitution of the New Notes Issuer" and which would not have been so incurred or levied had such substitution not been made. U.S. Holders are urged to consult their own tax advisors regarding any potential adverse tax consequences to them that may result from a substitution of the New Notes Issuer.

Information Reporting and Backup Withholding

In general, we and other payors may be required to report to the IRS payments made to a U.S. Holder that is not an exempt recipient pursuant to the Exchange Offers, as well as payments of principal and interest, including any additional amounts, if any, on the Existing Notes and the New Notes. In addition, we and other payors may be required to report to the IRS any payment of proceeds from the sale of the Existing Notes as part of the exchange, and of the New Notes upon disposition. If a U.S. Holder fails to provide an accurate taxpayer identification number or otherwise fails to comply with applicable backup withholding requirements, the U.S. Holder may be subject to backup withholding at the applicable statutory rate (currently 24%), unless the U.S. Holder is exempt from backup withholding and properly certifies its exemption. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, *provided* that the required information is furnished to the IRS in a timely manner.

Certain Tax Reporting Rules

Under applicable Treasury Regulations, a U.S. Holder that is considered to be a "significant holder" with respect to the Existing Notes Issuer who receives New Notes in exchange for Existing Notes in an Exchange Offer generally will be required to comply with certain tax reporting requirements if the exchange of such Existing Notes for New Notes qualifies as a recapitalization. A U.S. Holder generally should be a "significant holder" with respect to the Existing Notes Issuer if, immediately before the consummation of the Exchange Offers, such U.S. Holder held "securities" (as defined for U.S. federal income tax purposes) of the Existing Notes Issuer (including the Existing Notes) with an aggregate tax basis of more than US$1 million. A U.S. Holder that is a "significant holder" generally will be required to file a statement with its U.S. federal income tax return for the taxable year that includes the consummation of the Exchange Offer. That statement generally must include the U.S. Holder's tax basis in, and the fair market value of, the Existing Notes exchanged pursuant to the Exchange Offers (both as determined

immediately before the consummation of the Exchange Offer), and certain other information regarding the Exchange Offers. Each U.S. Holder should consult its tax advisor as to whether it may be treated as a "significant holder" and any related reporting or record retention requirements.

Certain U.S. Holders may be required to report information with respect their interests in "specified foreign financial assets" (as defined in Section 6038D of the Code), including securities issued by a non-U.S. corporation. Certain exceptions apply, including an exception for securities held in accounts maintained by certain financial institutions. Persons who are required to report specified foreign financial assets and fail to do so may be subject to substantial penalties. Each U.S. Holder should consult its tax advisor regarding foreign financial asset reporting obligations and their possible application to the holding of New Notes.

Tax Consequences to U.S. Holders Who Do Not Participate in the Exchange Offers

The U.S. federal income tax consequences to a non-tendering U.S. Holder as a result of the adoption of the Proposed Amendments will depend on whether or not, under applicable Treasury regulations, the adoption of the Proposed Amendments result in a significant modification of the Existing Notes (as described above under "Consequences of Participating in the Exchange Offers"). While the matter is uncertain, we intend to take the position that the adoption of the Proposed Amendments will not result in a significant modification of the Existing Notes. Based on such position, the adoption of the Proposed Amendments will not be a taxable event to a non-tendering U.S. Holder, and such U.S. Holder will have the same adjusted tax basis, holding period and market discount (if any) in the Existing Notes as such holder had immediately prior to the Exchange Offers. There can be no assurance, however, that the IRS would not take a contrary position or that a court would not agree with such contrary position. If the adoption of the Proposed Amendments were treated as a significant modification, the U.S. federal income tax consequences relating thereto would include the potential recognition of taxable gain or (subject to the possible application of the wash sale rules) loss to non-tendering U.S. Holders, as described above under "Consequences of Participating in the Exchange Offers."

The Existing Notes not tendered under the Exchange Offers will have a separate CUSIP number from, and will not be fungible for U.S. federal income tax purposes with, the New Notes issued by the New Notes Issuer in the Exchange Offers.

BRAZILIAN TAX CONSIDERATIONS

The following discussion is a summary of the main Brazilian tax aspects related to investments in the New Notes by an individual, entity, trust or organization that is not resident or domiciled in Brazil for tax purposes ("Non-Resident Holder").

The information set forth below is intended to be a general discussion only and does not address all possible tax consequences relating to investments in the New Notes. Therefore, prospective purchasers are strongly advised to consult their own tax experts as to the consequences of purchasing the New Notes.

The discussion below is based on the Brazilian tax law as in effect on the date hereof and is subject to any change that may come into effect after such date.

The Exchange Offers

Consequences of the Exchange Offers

The Non-Resident Holders that tender their Existing Notes in the Exchange Offers will receive the New Notes without any cash consideration. Although there is no clear guidance in the Brazilian tax legislation addressing the capital gains tax consequences of an exchange transaction involving securities issued abroad by a Brazilian legal entity, the exchange of the Existing Notes for the New Notes should not be taxable in Brazil based on the fact that: (i) the Existing Notes should be considered as foreign assets; and (ii) the exchange of the Existing Notes for the New Notes would not result in any Brazilian sourced income to the Non-Resident Holder. However, Brazilian authorities do not provide clear guidance in this respect and may treat such a transaction as subject to capital gains tax in Brazil at the rates of 15% through 22.5% according to the amount of the gain (or 25% if the Non-Resident Holder is located in an Low or Nil Tax Jurisdiction (as defined below), plus potential interest and fines in case of a tax assessment by the tax authorities.

If the income tax is deemed to be due, the gains may be subject to income tax in Brazil, effective as from January 1, 2017, at progressive rates as follows: (i) 15% for the part of the gain that does not exceed R$5 million, (ii) 17.5% for the part of the gain that exceeds R$5 million but does not exceed R$10 million, (iii) 20% for the part of the gain that exceeds R$10 million but does not exceed R$30 million, and (iv) 22.5% for the part of the gain that exceeds R$30 million; or 25.0% if such Non-Resident holder is located in a Low or Nil Tax Jurisdiction as it will be further detailed below. A lower rate, however, may apply under an applicable tax treaty between Brazil and the country where the Non-Resident holder has its domicile.

Capital Gains

Capital gains generated outside Brazil as a result of a transaction executed by a non-resident of Brazil with respect to assets located in Brazil are subject to Brazilian income tax on capital gains according to Article 26 of Law No. 10,833, enacted on December 29, 2003 ("Law No. 10,833/03"). Although the New Notes should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833/03 based on the fact that the New Notes are issued and registered abroad, there can be no assurance that the tax authorities will adopt such interpretation of the law. There is a risk of tax authorities considering that the New Notes constitute assets located in Brazil and the capital gains realized by a Non-Resident Holder upon the disposition of the New Notes to a non-resident of Brazil or a Brazilian resident would be subject to Brazilian income tax at the current rates of 15% through 22.5% dependent of the amount of the gain, or 25% if the Non-Resident Holder is located in a Low or Nil Tax Jurisdiction, as defined below.

Pursuant to Article 26 of Law 10,833/03, the income tax levied on capital gains recognized by non-Brazilian residents on the disposition of assets located in Brazil shall be withheld and collected by the purchaser of said assets. Precisely, if the purchaser is a Brazilian resident, it would be required to withhold the income tax from the purchase price to be paid or, if the purchaser is a non-Brazilian resident, Law 10,833/03 establishes that its Brazilian legal representative would have to accomplish the withholding and collection of the income tax. In any event, despite the absence of clear guidance in the tax regulations, there are good grounds to sustain the position that the New Notes should not fall within the definition of Brazilian assets and, therefore, no taxation should apply on capital gains resulting from the trade of such assets.

Payments for Accrued but Unpaid Interest

Any cash received by a Non-Resident Holder in the Exchange Offers that is attributable to accrued but unpaid interest on the Existing Notes should be subject to withholding income tax in Brazil.

This includes any deemed income on the difference between the issue price of the New Notes issued by the New Notes Issuer and the price at which the New Notes are redeemed, or the original discount. The rate of the withholding income tax is 15% unless the Non-Resident Holder of the New Notes is resident or domiciled in a jurisdiction black-listed by Brazilian tax authorities as a low or nil tax jurisdiction, as provided by Article 1 of Normative Instruction No. 1,037 (i.e. a jurisdiction that does not impose income taxation or where the maximum income tax rate is lower than 20%; or 17% for the jurisdictions aligned with international tax transparency standards, as defined in Normative Instruction No. 1,530, of December 19, 2014; or where the laws of that jurisdiction impose restrictions on the disclosure of (i) shareholder composition; (ii) the ownership of investments; or (iii) the beneficial ownership of income paid to non-resident persons ("Low or Nil Tax Jurisdictions"), in which case the applicable rate is 25%. However, in case of payments of interests, fees, commissions (including any original issue discount and any redemption premium) related to the international placement of international debt securities previously authorized by the Central Bank, the withholding income tax rate is set 15%, even if the beneficiary is domiciled in a Low or Nil Tax Jurisdictions, as provided by Article 10 of Normative Instruction No. 1,455. However, there is a risk that tax authorities take a different stance, since, according to Article 8 of Law No. 9,779 of January 19, 1999, if the relevant average term of the New Notes is less than 96 months, the withholding tax rate applicable to interest income paid to a non-resident holder domiciled in a Low or Nil Tax Jurisdiction is 25% (Article 744, VII of Decree No. 9,580 of November 22, 2018 and Article 1, IX of Law No. 9,481 of August 13, 1997). Note that a lower rate could be applied if provided for in an applicable tax treaty between Brazil and the other country where the recipient of the payment is domiciled.

If the New Notes Issuer is unable to make payments on the New Notes, the Guarantors may be required to make such payments. As there is no specific legal provision dealing with the imposition of withholding income tax on payments made by Brazilian sources to non-resident beneficiaries under guarantees and no uniform decision was rendered by the Brazilian courts, there is a risk that tax authorities will take the position that the funds remitted by the Guarantors to the Non-Resident Holders may be subject to the imposition of withholding income tax at a general 15% rate, or at a 25% rate, if the Non-Resident Holder is located in a Low or Nil Tax Jurisdiction. Arguments exist to sustain the position that payments made under the New Notes Guarantees should be subject to the imposition of withholding income tax according to the nature of the guaranteed payment, in which case only interest and fees (including any original issue discount, as applicable) payable by the Guarantors to a Non-Resident Holder with respect to the New Notes should be subject to withholding income tax at the same rates above mentioned.

Additional Amounts

In the event the New Notes Issuer is required to make tax collections under the New Notes to a Non-Resident Holder, the New Notes Issuer will pay additional amounts on the New Notes as if no Brazilian tax was withheld in order to ensure that the net amount to be received by the Non-Resident Holder after the assessment of withholding income tax will equal the amount that would have been paid in the absence of such withholding.

Discussion on Low or Nil Tax Jurisdictions

On June 23, 2008, Law No. 11,727 enlarged the concept of a Low or Nil Tax Jurisdiction and introduced the concept of "Privileged Tax Regime," which is considered to be a regime that (i) does not tax income or taxes income at a maximum rate lower than 20%; (ii) grants tax advantages to a non-resident entity or individual (a) without the need to carry out a substantial economic activity in the country or dependency, or (b) conditioned on the non-exercise of a substantial economic activity in the country or dependency; (iii) does not tax income generated outside the jurisdiction, or that taxes such income at a maximum rate lower than 20%; or (iv) does not provide access to information related to shareholding composition, ownership of goods and rights or the economic transactions carried out.

In addition, on June 4, 2010, the Brazilian tax authorities enacted Normative Instruction No. 1,037, as amended, listing (i) the countries and jurisdictions considered as tax haven jurisdictions, and (ii) the Privileged Tax Regimes.

Although the interpretation of the current Brazilian tax legislation could lead to the conclusion that such concept of Privileged Tax Regime shall be solely applied for purposes of the observance of transfer pricing and thin capitalization rules, it is still not clear whether this Privileged Tax Regime concept will also be applied to interest payments made to Non Brazilian Holders in respect of the New Notes, under the scenario reviewed above.

However, if the Brazilian tax authorities determine that payments on the New Notes will be made to a recipient that will benefit from a Privileged Tax Regime, such payments could be subject to Brazilian withholding tax at a rate of up to 25%, unless a tax treaty establishing a lower rate is applicable. We recommend that holders of Existing Notes should consult with their own tax advisors regarding the consequences of the implementation of Law No. 11,727, Normative Instruction No. 1,037 and of any related Brazilian tax law or regulation concerning Low or Nil Tax Jurisdictions and Privileged Tax Regimes.

Other Tax Considerations

Pursuant to Decree No. 6,306, enacted on December 14, 2007 ("Decree No. 6,306/07"), as amended, the conversion of Brazilian *reais* into foreign currency and the conversion of foreign currency into Brazilian *reais* shall be subject to the tax on foreign exchange transactions ("IOF/Exchange"). Currently, the IOF/Exchange tax rate varies according to the nature and conditions of the relevant transaction and the Brazilian government can increase the IOF/Exchange tax rate at any time up to a rate of 25%, but only with respect to future foreign exchange transactions.

As a general rule, foreign exchange transactions in connection with cross-border financing and loans (including those arising from international notes issuances) subject to registration before the Central Bank are currently assessed by the IOF/Exchange tax at a zero rate for both the inflow and outflow of proceeds into and from Brazil.

In addition, if the Guarantors are required to assume the obligation to pay the debt, the Brazilian tax authorities could argue that a tax on credit transactions (IOF/Credit), would be due by the Guarantors over the amount paid on behalf of the New Notes Issuer at a rate of up to 1.88%.

Any IOF/Exchange potentially due in connection with the exchange of the Existing Notes for the New Notes shall be borne by the New Notes Issuer.

CAYMAN ISLANDS TAX CONSIDERATIONS

Cayman Islands Taxation

The following is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law. Holders of Existing Notes should consult their professional advisers on the possible tax consequences of buying, holding or selling any New Notes under the laws of their country of citizenship, residence or domicile.

Under Existing Cayman Islands Laws

The Cayman Islands currently has no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax. No withholding will be required on any payments made by either IP Party pursuant to the Transaction Documents.

Stamp duty may be payable if any document is executed in or brought into the Cayman Islands or produced before the courts of the Cayman Islands.

Each of the IP Parties will, prior to the first Settlement Date, have been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, is expected to have, by the first Settlement Date, obtained an undertaking from the Financial Secretary of the Cayman Islands in the following form:

The Tax Concessions Act

Undertaking as to Tax Concessions

In accordance with the Tax Concessions Act, the following undertaking is hereby given to (*name of relevant entity*) (the "Company").

(a) That no Act which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

(b) In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable

(i) On or in respect of the shares, debentures or other obligations of the Company; or

(ii) by way of the withholding, in whole or in part, of any relevant payment as defined in the Tax Concessions Act.

These concessions shall be for a period of (*to be specified*) years from the (*to be specified*) day of (*to be specified*).

OFFER AND DISTRIBUTION RESTRICTIONS

No action has been or will be taken in any jurisdiction that would permit a public offering of the New Notes, or the possession, circulation or distribution of this Offering Memorandum or any material relating to the Existing Notes Issuer, the Obligors, the Existing Notes or the New Notes in any jurisdiction where action for that purpose is required. Accordingly, the New Notes included in this offering may not be offered, sold or exchanged, directly or indirectly, and neither this Offering Memorandum or any other offering material or advertisements in connection with any of the Exchange Offers or the Solicitations may be distributed or published, in or from any such country or jurisdiction, except in compliance with any applicable rules or regulations of any such country or jurisdiction.

The distribution of this Offering Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Existing Notes Issuer, the Obligors, the Dealer Managers, the Financial Advisor and the Information and Exchange Agent to inform themselves about, and to observe, any such restrictions.

Notice to Eligible Holders of Existing Notes in the European Economic Area

In any Member State, this Offering Memorandum is only addressed to and is only directed at qualified investors, as defined in the Prospectus Regulation.

This Offering Memorandum has been prepared on the basis that any offer of New Notes in any member state of the European Economic Area ("EEA") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of New Notes. Accordingly any person making or intending to make an offer in that Member State of New Notes which are the subject of the offering contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for the Existing Notes Issuer, the New Notes Issuer or any of the Dealer Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer. None of the Existing Notes Issuer, the New Notes Issuer or the Dealer Managers have authorized, nor do they authorize, the making of any offer of New Notes in circumstances in which an obligation arises for the Existing Notes Issuer, the New Notes Issuer or any or the Dealer Managers to publish a prospectus for such offer. None of the Existing Notes Issuer, the New Notes Issuer or the Dealer Managers have authorized, nor do they authorize, the making of any offer of New Notes through any financial intermediary, other than offers made by the Dealer Managers, which constitute the final placement of the New Notes contemplated in this Offering Memorandum.

For the purpose of the above provisions, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

The New Notes are not offered, sold or otherwise made available and will not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

A. the expression "retail investor" means a person who is one (or more) of the following:

i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

ii. a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

iii. not a qualified investor as defined in the Prospectus Regulation; and

B. the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to purchase or subscribe the New Notes.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the New Notes or otherwise making them available to retail investors in

the EEA has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Any distributor subject to MiFID II subsequently offering, selling or recommending the New Notes is responsible for undertaking its own target market assessment in respect of the New Notes and determining the appropriate distribution channels.

These offer and distribution restrictions are in addition to any other offer and distribution restrictions set out in this Offering Memorandum.

United Kingdom

This Offering Memorandum has not been approved by an authorized person for the purposes of section 21 of the UK Financial Services and Market Act 2000 ("FSMA"). This document is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom; (ii) professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"); (iii) persons falling within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order; or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any New Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such New Notes will be engaged in only with relevant persons.

Each Dealer Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any New Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Existing Notes Issuer and the New Notes Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any New Notes in, from or otherwise involving the United Kingdom.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (the "Prospectus Regulation") as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the New Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Italy

None of the Exchange Offers, this Offering Memorandum or any other documents or materials relating to the Exchange Offers have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("CONSOB"), pursuant to applicable Italian laws and regulations.

The Exchange Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of Legislative Decree No. 58 of February 24, 1998, as amended (the "Financial Services Act")

and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the "Issuers Regulation") and, therefore, are intended for, and directed only at qualified investors (*investitori qualificati*) (the "Italian Qualified Investors"), as defined pursuant to Article 100, paragraph 1, letter (a) of the Financial Services Act and Article 34-*ter*, paragraph 1, letter (b) of the Issuers' Regulation.

Accordingly, the Exchange Offers cannot be promoted, nor may copies of any document related thereto or to the Existing Notes be distributed, mailed or otherwise forwarded, or sent, to the public in the Republic of Italy, whether by mail or by any means or other instrument (including, without limitation, telephonically or electronically) or any facility of a national securities exchange available in the Republic of Italy, other than to Italian Qualified Investors. Persons receiving this Offering Memorandum or any other document or material relating to the Exchange Offers must not forward, distribute or send it in or into or from the Republic of Italy.

Eligible Holders of Existing Notes that are Italian Qualified Investors resident and/or located in the Republic of Italy can tender the Existing Notes through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended from time to time) and in compliance with any other applicable laws and regulations and with any requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Existing Notes, the New Notes or the Exchange Offers.

Belgium

Neither this Offering Memorandum nor any brochure, material or document related thereto have been, or will be, submitted or notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*). In Belgium, the Exchange Offers do not constitute public offerings within the meaning of Articles 3, §1, 1° and 6, §3 of the Belgian Law of April 1, 2007 on takeover bids (*loi relative aux offres publiques d'acquisition/wet op de openbare overnamebiedingen*, the "Takeover Law"), nor within the meaning of Article 3, §2 of the Belgian Law of June 16, 2006 on public offering of securities and admission of securities to trading on a regulated market (*loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés/wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereglementeerde markt,* the "Prospectus Law"), each as amended or replaced from time to time. Accordingly, the Exchange Offers may not be, and is not being advertised, and the Exchange as well as any brochure, or any other material or document relating thereto may not, have not and will not be distributed, directly or indirectly, to any person located and/or resident within Belgium, other than those who qualify as "Qualified Investors" (*investisseurs qualifiés/qekwalificeerde beleggers*), within the meaning of Article 10, §1 of the Prospectus Law, as amended from time to time, acting on their own account. Accordingly, the information contained in, or incorporated by reference into, this Offering Memorandum or in any brochure or any other document or materials relating thereto may not be used for any other purpose, including for any offering in Belgium, except as may otherwise be permitted by law, and shall not be disclosed or distributed to any other person in Belgium.

France

This Offering Memorandum has not been prepared in the context of a public offering of financial securities in the Republic of France ("France") within the meaning of Article L.411-1 of the French Co*de monétaire et financier* and therefore has not been and will not be filed with the *Autorité des marchés financiers* (the "AMF") for prior approval or submitted for clearance to the AMF. The New Notes may not be, directly or indirectly, offered or sold to the public in France and offers and sales of the New Notes will only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or qualified investors (*investisseurs qualifiés*) investing for their own account, other than individuals, all as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. Neither this Offering Memorandum nor any other offering material may be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the New Notes to the public in France. The

subsequent direct or indirect retransfer of the New Notes to the public in France may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

Canada

The New Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the New Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of the National Instrument 33-105 Underwriting Conflicts, or NI 33-105, the Dealer Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Switzerland

This Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the securities. The securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the securities constitutes a prospectus pursuant to the FinSA, and neither this Offering Memorandum nor any other offering or marketing material relating to the securities may be publicly distributed or otherwise made publicly available in Switzerland.

Brazil

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 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. Holders of Existing Notes should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

Chile

The New Notes may not be offered or sold, directly or indirectly, by means of a "Public Offer" (as defined under the Law No. 18.045, as amended (the "Chilean Securities Market Law") in Chile, or to any resident in Chile, except as permitted by applicable Chilean law. The New Notes will not be registered under Chilean Securities Market Law with the Financial Market Commission (*Comisión para el Mercado Financiero*, the "CMF") and, accordingly, the New Notes may not and will not be offered or sold to persons in Chile except in circumstances which have not resulted and will not result in a public offering under Chilean law, and in compliance with Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, as amended by Rule (*Norma de Carácter General*) No.

452 dated February 22, 2021 ("CMF Rule 452"), both issued by the CMF (as amended, "CMF Rule 336"). Pursuant to CMF Rule 336, the New Notes may be privately offered in Chile to certain "qualified investors," identified as such therein (which in turn are further described in Rule No. 216, dated June 12, 2008, of the CMF, as amended, "CMF Rule 216") and in compliance with regulations applicable to such investors:

1. Date of commencement of the offer: June 13, 2023. The offer of the New Notes is subject to CMF Rule 336.

2. The subject matter of the Exchange Offers are securities not registered with the Securities Registry (*Registro de Valores*) or the Foreign Securities Registry (*Registro de Valores Extranjeros*) kept by the CMF. As a consequence, the New Notes are not subject to the oversight of the CMF.

3. Since the New Notes are not registered in Chile, the New Notes Issuer is not obliged to provide public information about the New Notes in Chile.

4. The New Notes shall not be subject to public offering in Chile unless registered with the relevant securities registry kept by the CMF, or if they are offered as permitted by CMF Rule 452.

Furthermore, the New Notes will not be subject to public offering in Chile according to CMF Rule 452. Therefore, no information of the offering, the New Notes or the New Notes Issuer will be provided to the public and the CMF pursuant to sections iii and iv of CMF Rule 452.

Peru

The New Notes and the information contained in, or incorporated by reference into, this Offering Memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the New Notes and therefore, the disclosure obligations set forth therein will not be applicable to the New Notes Issuer before or after their acquisition by prospective investors. The New Notes and the information contained in, or incorporated by reference into, this Offering Memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian National Supervisory Commission of Companies and Securities (*Comisión Nacional Supervisora de Empresas y Valores*) nor have they been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the New Notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

Mexico

The New Notes have not been, and will not be, registered with the National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), and, therefore the New Notes may not be publicly offered or sold nor be the subject of intermediation in Mexico, publicly or otherwise, except that the New Notes may be offered in Mexico to institutional and qualified investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*).

Colombia

The New Notes have not been offered or sold, and will not be offered or sold, in Colombia other than in compliance with applicable laws. The New Notes have not been, and will not be, authorized by the Colombian Superintendency of Finance (*Superintendencia Financiera de Colombia*) and have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the securities may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations, and may not be traded on the Colombian Stock Exchange. This Offering Memorandum is for the sole and exclusive use of the addressee as an offeree in Colombia, and this Offering Memorandum shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the

addressee. The recipient of the securities acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the securities being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

Cayman Islands

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the New Notes.

Hong Kong

This Offering Memorandum has not been and will not be approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The New Notes may not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, The Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, The Laws of Hong Kong), or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and no advertisement, invitation or document relating to the New Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

Japan

The New Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the "FIEA") and each Dealer Manager has agreed that it has not offered or sold and will not offer or sell any New Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the New Notes will not be offered or caused to be made the subject of an invitation for subscription or purchase, and this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes may not be circulated or distributed, nor may the New Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(i) to an institutional investor (as defined in Section 4A of the SFA (as defined below)) pursuant to Section 274 of the SFA;

(ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or

(iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the New Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification Pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore—The New Notes are prescribed capital markets products as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Arab Emirates

The New Notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre and the Abu Dhabi Global Market) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre and the Abu Dhabi Global Market) governing the issue, offering and sale of securities. Further, this Offering Memorandum does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Offering Memorandum has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority, the Dubai Financial Services Authority or the ADGM Financial Services Regulatory Authority.

Dubai International Financial Centre

This Offering Memorandum is for distribution only to persons who (a) are outside the Dubai International Financial Centre, (b) are persons who meet the Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module or (c) are persons to whom an invitation or inducement in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons" for the purposes of this paragraph). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. This Offering Memorandum relates to an Exempt Offer in accordance with the Markets Rules of the Dubai Financial Services Authority ("DFSA"). This Offering Memorandum is intended for distribution only to persons of a type specified in the Markets Rules of the DFSA. It

must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set forth herein and has no responsibility for this Offering Memorandum. The New Notes to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the New Notes offered should conduct their own due diligence on the New Notes. If you do not understand the contents of this Offering Memorandum you should consult an authorized financial advisor.

Abu Dhabi Global Market

This Offering Memorandum is for distribution only to persons who (a) are outside the Abu Dhabi Global Market, or (b) are Authorised Persons or Recognised Bodies (as such terms are defined in the Financial Services and Markets Regulations 2015 ("FSMR")), or (c) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons" for the purposes of this paragraph). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

This Offering Memorandum is an Exempt Offer in accordance with the Market Rules of the ADGM Financial Services Regulatory Authority. This Exempt Offer document is intended for distribution only to Persons of a type specified in the Market Rules. It must not be delivered to, or relied on by, any other Person. The ADGM Financial Services Regulatory Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The ADGM Financial Services Regulatory Authority has not approved this Exempt Offer document nor taken steps to verify the information set out in it, and has no responsibility for it. The New Notes to which this Exempt Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the New Notes offered should conduct their own due diligence on the securities. If you do not understand the contents of this Exempt Offer document you should consult an authorized financial advisor.

LEGAL MATTERS

We are being represented as to matters of New York law by Shearman & Sterling LLP, New York, New York, as to matters of Brazil law by Pinheiro Neto Advogados, São Paulo, Brazil, and as to matters of Cayman Islands law by Maples and Calder (Cayman) LLP, Grand Cayman, Cayman Islands. Certain legal matters in connection with the Exchange Offers and the Solicitations will be passed upon for the Dealer Managers by Davis Polk & Wardwell LLP, New York, New York, Pinheiro Guimarães, São Paulo, Brazil, and Walkers (Cayman) LLP, Grand Cayman, Cayman Islands.

INDEPENDENT AUDITORS

The consolidated financial statements of Azul as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, included in Azul's 2022 Form 20-F for the year ended December 31, 2022 incorporated by reference in this Offering Memorandum have been audited by Ernst & Young Auditores Independentes S/S Ltda., independent auditors, as stated in their report appearing therein, and incorporated herein by reference.

APPRAISER

Morten Beyer & Agnew Aviation, an independent aviation appraisal and consulting firm, has prepared Initial Appraisals of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business as of February 23, 2023, February 17, 2023, March 7, 2023, and February 23, 2023, respectively. Reports, dated May 18, 2023, April 27, 2023, April 28, 2023, and June 5, 2023, summarizing the Initial Appraisals of the TudoAzul Program, the Azul Viagens Business, the Airline Intellectual Property and the Azul Cargo Business, respectively, are annexed to this Offering Memorandum as Annex A, Annex B, Annex C, and Annex D hereto. References to the Initial Appraisals throughout this Offering Memorandum are included based upon our reliance on the authority of mba Aviation as experts.

ENFORCEABILITY OF CIVIL LIABILITIES

United States

The Existing Notes Issuer was formed as a Delaware limited liability partnership on October 4, 2017. The Existing Notes Issuer's registered office is located at the offices of Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. Limited liability partnerships are not corporations and their capital structure and management are governed by the partnership's partnership agreement or, in the absence of provisions in such partnership agreement, are governed by default rules under the Delaware Revised Uniform Partnership Act. Azul and Azul Linhas are the general partners of the Existing Notes Issuer under the Existing Notes Issuer's partnership agreement.

The New Notes Issuer was formed as a Delaware limited liability partnership on May 25, 2023. The New Notes Issuer's registered office is located at the offices of Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808. Limited liability partnerships are not corporations and their capital structure and management are governed by the partnership's partnership agreement or, in the absence of provisions in such partnership agreement, are governed by default rules under the Delaware Revised Uniform Partnership Act. Azul and Azul Linhas are the general partners of the New Notes Issuer under the New Notes Issuer's partnership agreement.

Azul is a publicly held corporation organized under the laws of Brazil. The majority of our directors and executive officers are not residents of the United States and all or a substantial portion of our assets and the assets of these persons are located outside the United States. As a result, except as explained below, it may not be possible for holders of Existing Notes or New Notes to effect service of process within the United States upon such persons, or to enforce against them or us in United States courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States or otherwise obtained in U.S. courts.

Brazil

Some of the Guarantors are incorporated under the laws of Brazil. Substantially all of the Guarantors' directors and officers and certain of the experts named herein are non-U.S. residents, and all or a significant portion of the assets of those persons may be, and the most significant portion of our assets are, located outside the United States. As a result, it may not be possible for holders of Existing Notes or New Notes to effect service of process within the United States upon those persons or to enforce against them or against us in U.S. courts judgments predicated upon civil liability provisions of the U.S. federal or state securities laws.

A judgment obtained outside Brazil against the Guarantors, its directors and officers would be enforceable in Brazil, without any retrial or re-examination of the merits of the original action only if such judgment has been previously recognized by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*). Decisions on interlocutory measures may likewise be enforced in Brazil in accordance with applicable laws. Recognition will occur according to Article 963 of the Law No. 13,105, dated March 16, 2015, as amended (the "Brazilian Code of Civil Procedure") if the foreign judgment:

(i) complies with all formalities required for enforcement under the laws of the jurisdiction where it was rendered;

(ii) is issued by a court of competent jurisdiction after proper service of process on the parties and such service either complies with Brazilian law, if made in Brazil, or, after sufficient evidence of the parties' absence from Brazil, as required by applicable law;

(iii) is effective in the country where it was issued, not subject to appeal;

(iv) does not violate a final and unappealable decision issued by a Brazilian court on the same matter concerning the same parties, cause of action and claim;

(v) does not violate the exclusive jurisdiction of Brazilian courts (as provided by Article 964 of the Brazilian Code of Civil Procedure);

(vi) is apostilled by the appropriate authority of the state rendering such foreign judgment in accordance with the Hague Convention of October 5, 1961 Abolishing the Requirement of Legalization for Foreign Public Documents, or the Apostille Convention, or, if the rendering state is not a signatory to the Apostille Convention, is duly authenticated by the appropriate Brazilian consulate;

(vii) is translated into Portuguese by a certified translator in Brazil, unless an exemption is provided by an international treaty to which Brazil is a signatory; and

(viii) is not contrary to Brazilian national sovereignty, public policy, public morality or violate human dignity (as provided by Article 17 of the Decree-Law No. 4,657, dated September 4, 1942; Article 963, VI, of the Brazilian Civil of Civil Procedure; and Article 216-F of the Brazilian Superior Court of Justice's Regiment).

The ability of a judgment creditor to satisfy a judgment by attaching certain of our assets is governed, and limited by, provisions of Brazilian law to the extent that assets are located in Brazil.

Pursuant to Article 83 of Brazilian Code of Civil Procedure, a plaintiff, whether Brazilian or non-Brazilian, that resides outside Brazil or ceases to reside in Brazil during the course of litigation in Brazil and who does not own real property in Brazil, must provide a bond to secure the payment of court costs and the defendant's legal fees. The bond must have a value sufficient to satisfy the payment of court fees and the defendant's attorney fees, as determined by a Brazilian judge. This requirement does not apply in the case of (i) exemptions provided by an international agreement or treaty to which Brazil is a signatory, (ii) an action for collection of an extrajudicial instrument (*título executivo extrajudicial*), (iii) enforcement of a judgment, including foreign judgments that have been duly recognized by the Brazilian Superior Court of Justice *(Superior Tribunal de Justiça)*, and (iv) counterclaims.

Urgent provisional measures can be rendered by the Brazilian Superior Court of Justice *(Superior Tribunal de Justiça)* during the course of the recognition proceedings.

As a rule, interlocutory decisions ordering measures over the course of a procedure also need to be recognized by the Brazilian Superior Court of Justice *(Superior Tribunal de Justiça)*. These measures will be accomplished by a rogatory letter, and interested parties may challenge compliance by means of motions.

In addition to the recognition of a final decision, Brazilian law requires due process to obtain a writ of execution to enforce such decision. Such due process consists of certain enforcement proceedings to be carried out before federal courts pursuant to the Brazilian Code of Civil Procedure. No assurance can be given that such writ of execution would be obtained in a timely manner.

Notwithstanding the foregoing, we cannot assure you that (1) confirmation of any judgment will be obtained, (2) the process described above can be conducted in a timely manner; and (3) Brazilian courts will enforce any penalty established by the foreign final judgment in the event the defendant refuses to comply with it.

If proceedings are brought before the Brazilian courts seeking to enforce obligations against us, payment shall be made in Brazilian *reais.* Any judgment rendered in Brazilian courts in respect of any payment obligations would be expressed in Brazilian *reais*.

The Guarantors shall, in connection with the New Notes Indenture, appoint Cogency Global Inc. as the agent of the Guarantors upon whom process may be served in any action brought against us under the securities laws of the United States.

CAYMAN ISLANDS INSOLVENCY LAW CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF CERTAIN SECURITY INTERESTS

Each of the IP Parties will, prior to the first Settlement Date, be an exempted company incorporated with limited liability in the Cayman Islands. Given that the IP Parties are Cayman Islands incorporated companies, insolvency or restructuring proceedings could be commenced in the Cayman Islands and such proceedings would be governed by Cayman Islands insolvency and restructuring laws. However, insolvency or restructuring proceedings in respect of Cayman Islands companies can, in certain circumstances, be commenced in other jurisdictions, for example the United States, and so it should not be assumed that, in the event of insolvency or restructuring, the IP Parties would be subject solely to Cayman Islands insolvency or restructuring proceedings.

The Cayman Islands are a British Overseas Territory. The legal system is a common law system founded on the English system. Specific sources of Cayman Islands law are Cayman Islands legislation, English legislative provisions extended to the Cayman Islands by United Kingdom Orders in Council, Cayman Islands case law and comparative case law from England and other common law jurisdictions.

The doctrine of judicial precedent applies in the Cayman Islands as it applies in England. The sitting courts of the Cayman Islands are the Grand Court, a court of first instance, and the Court of Appeal, an appellate court in which appeals from the Grand Court are heard and determined. The ultimate court of appeal from these courts, as with many other Commonwealth jurisdictions, is the Judicial Committee of the Privy Council (the "Privy Council") in London. Decisions of the Privy Council on appeal from the courts of the Cayman Islands are binding on the Court of Appeal and the Grand Court. Decisions of the Court of Appeal are similarly binding on the Grand Court. Where there is no applicable Cayman Islands case law, the courts of the Cayman Islands will generally follow English authorities to the extent they are not inconsistent with Cayman Islands statute or authority and do not relate to English statutory provisions that have no equivalent in the Cayman Islands. Such authorities are persuasive but not binding. Similarly, decisions of the courts of other Commonwealth jurisdictions, including decisions of the Privy Council on appeal from other Commonwealth jurisdictions, are also of persuasive, but not binding, authority. Generally, the decisions of the appellate courts of other Commonwealth jurisdictions are of more persuasive value before the courts of the Cayman Islands, while decisions of the Privy Council on appeal from other Commonwealth jurisdictions are of the highest persuasive value.

Under the Companies Act (as revised) of the Cayman Islands (the "Companies Act"), companies can be subject to voluntary or involuntary winding-up proceedings. The Grand Court can also appoint a provisional liquidator after the presentation of a petition for the winding up of the company but before an order for the winding up of the debtor company is made where, for example, there is a prima facie case for making a winding-up order but there is an immediate need for the appointment of a provisional liquidator to take certain safeguarding actions, such as: to prevent the dissipation or misuse of the company's assets; to prevent the oppression of minority shareholders in the company; or to prevent the mismanagement or misconduct on the part of the company's directors. As an alternative to winding up proceedings, the Companies Act was amended in 2022 to allow a company to restructure under the supervision of a restructuring officer appointed by the Grand Court (including on an interim basis, on such terms and conditions seen fit by the court) on the application of the company, in circumstances where the company is or is likely to become unable to pay its debts and it intends to present a compromise or arrangement with its creditors (for example, where the restructuring of the company's debts is sought to be achieved by way of a foreign proceeding such as a proceeding under chapter 11 of the Bankruptcy Code or a judicial reorganization (*recuperação judicial*), or extrajudicial reorganization (*recuperação extrajudicial*) under the Brazilian Bankruptcy Law, a consensual deal with creditors or a Cayman Islands scheme of arrangement). Although there is an automatic stay of civil proceedings against a company when an application for the appointment of a restructuring officer is made, on the appointment of a provisional liquidator, or where an order for winding up has been made (with the option to apply for an additional stay of criminal proceedings against the company), the stay does not prevent a creditor who has security over the whole or part of the assets of the company from enforcing its security if entitled to do so. Further, such secured creditors do not have any statutorily implied right to appoint a receiver under Cayman Islands law and any right to do so must be contractual.

Cayman Islands law emphasizes a company's cash flow position as being determinative of a company's ability to pay its debts, but whether the company is balance sheet insolvent could also be relevant. A company is cash flow insolvent if it is unable to pay its debts (this test contains an element of futurity; how far into the future a court may

look is highly fact sensitive). A company is balance sheet insolvent if the value of the company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities.

Under the Companies Act, the Grand Court may wind up a company incorporated under the laws of the Cayman Islands (such as IP Co) in certain circumstances and as set out in section 92 of the Companies Act, and may accept and hear petitions for the winding up of such company from a creditor or contributory of such company in accordance with the Companies Act. Where a company incorporated under the laws of the Cayman Islands is wound up by way of voluntary liquidation commenced in the circumstances set out in section 116 of the Companies Act or is subject to a winding up order by the Grand Court, then the provisions of the Companies Act, including Cayman Islands insolvency law, would apply.

Notwithstanding that a liquidator and the Grand Court would apply Cayman Islands insolvency law to a winding up under the Companies Act, foreign laws, including foreign insolvency laws, may nevertheless be relevant in certain instances in the Cayman Islands. For example, foreign law may be relevant in a Cayman liquidation where it is the proper law of a creditor's claim. If under foreign law the creditor's claim has been compromised (for example, in a foreign scheme of arrangement), then any liquidator appointed by the Grand Court is likely to be bound by that compromise. Furthermore, where a company incorporated under the laws of the Cayman Islands is also being wound up in a foreign jurisdiction, the insolvency laws of that foreign jurisdiction are likely to apply to the treatment of any of the company's assets that are under the jurisdiction of the foreign court. The rules applicable in such a foreign (ancillary) winding up may be different to the rules applicable to the winding up in the Cayman Islands.

Section 95(2) of the Companies Act provides that the Grand Court shall dismiss a winding up petition or adjourn the hearing of a winding up petition in circumstances where a petitioner is contractually bound not to present a winding up petition against the company.

Section 140(2) of the Companies Act provides that upon the insolvency of a company that the collection in and application of the property of a company is without prejudice to any agreement between the company and any creditors that the claims of such creditors shall be subordinated or otherwise deferred to the claims of any other creditors and after taking into account and giving effect to any contractual rights of set-off or netting of claims between the company and any person or persons (including without limitation any bilateral or any multi-lateral set-off or netting arrangements between the company and any person or persons).

There is no established doctrine or statutory provision authorizing substantive consolidation (whereby a court can agree to consolidate the assets and liabilities of separate legal entities within a group on bankruptcy, winding up, liquidation or other insolvency proceeding) under the insolvency laws of the Cayman Islands. However, the Cayman Islands courts could approve a pooling arrangement in very limited and specific circumstances. Such jurisdiction exists pursuant to a Cayman Islands court-appointed restructuring officer or liquidator's power to make any compromise or arrangement with creditors with the sanction of the Grand Court. This jurisdiction will only be exercised in exceptional circumstances where the affairs of two or more companies (or other entities) are so hopelessly intertwined that a pooling of their assets and liabilities is the only sensible way to proceed.

A similar commercial effect to a pooling arrangement could potentially be achieved through schemes of arrangement under sections 86 or 91I of the Companies Act. A scheme of arrangement is a formal arrangement between a company and its creditors, which, when approved by the creditors (a simple majority of creditors by number holding 75% by value in each class who attend and vote, either in person or by proxy) and sanctioned by the Grand Court, becomes binding on the parties to the scheme of arrangement. It may be possible to have linked schemes of arrangement in respect of multiple companies within the same group that would result in those companies' assets and liabilities being pooled. However, the companies' creditors would need to approve such an arrangement (in accordance with the majorities set out above) and the final arrangement would need to be approved by the Grand Court.

Potential Limitations on the Validity and Enforcement of Security Interests

There are circumstances under Cayman Islands insolvency law in which the granting by a Cayman Islands company of security over the whole or part of its assets, or a transaction entered into by a company, can be challenged. In the event of the liquidation of a company under Part V of the Companies Act, any disposition of the

property of the company (defined as every form of conveyance, transfer, assignment, lease, mortgage, pledge or other transaction by which any legal or equitable interest in property is created, transferred or extinguished, which includes the granting of security over the whole or part of the company's assets) may be capable of being set aside by a liquidator in certain circumstances. In particular, it should be noted that:

- Section 145 of the Companies Act provides that every conveyance or transfer of a Cayman Islands company's property, or charge thereon, is invalid as a voidable preference if the company is unable to pay its debts (i.e. is insolvent) at the time of such disposition or transfer and the company commences winding up within six months of such conveyance, transfer or charge and such conveyance, transfer or charge is made, incurred, taken or suffered by the company in favor of a creditor with a view to giving that creditor a preference over the other creditors of the company.
- Section 146 of the Companies Act provides that every disposition of the company's property, including any transfer of collateral, made at an undervalued amount (or for no consideration at all) with intent to defraud the company's creditors shall be voidable at the instance of the official liquidator within six years of the date of the relevant disposition or transfer of collateral.
- Section 147 of the Companies Act provides that persons who are knowingly party to any business of the company that has been carried on with an intent to defraud creditors of the company or creditors of any other person, or for any fraudulent purpose, may be liable to make such contributions to the company's assets as the Grand Court may declare.
- Rights of creditors (including secured creditors) may be affected by a scheme of arrangement. A compromise or arrangement between a company and its creditors or any class of them shall, if sanctioned by the Grand Court, be binding on all the creditors or a class of creditors. If there are creditors who form a class, the class will be bound by the scheme if a majority representing 75% in value of the class who attended (whether in person or by proxy) and voted approved the scheme. Cayman Islands law provides that a class is constituted by those persons whose rights against the company which are to be released or varied under the scheme, or the new rights which the scheme gives in their place, "*are not so dissimilar as to make it impossible for them to consult together with a view to their common interest.*" Two or more creditors could constitute separate classes in a compromise or arrangement if they hold security over different assets or hold security over the same asset but do not rank equally.
- Section 99 of the Companies Act provides that: "when a winding up order has been made, any disposition of the company's property and any transfer of shares or alteration in the status of the company's members made after the commencements of the winding up is, unless the Court otherwise orders, void." Although there is no published decision of a Cayman Islands court of which we are aware, a creditor who has security over the whole or part of the assets of a company is entitled to enforce his security without the leave of the Grand Court and without reference to its restructuring officer or liquidator. Further, English authority (which would be regarded as persuasive but not binding in the Cayman Islands) holds that the equivalent English legislative provision does not prevent a secured creditor from enforcing their security.
- Neither a restructuring officer nor a liquidator has any statutory right to disclaim an onerous contract under Cayman Islands law. There is no reported Cayman Islands authority as to whether a restructuring officer or liquidator would have a right under common law as applied in the Cayman Islands to disclaim onerous contracts, although English case law indicates that no right of disclaimer exists under the common law.
- On a winding up of a Cayman Islands company, a liquidator may at any time give notice to a creditor whose debt is secured that the liquidator proposes, at the expiration of 28 days from the date of the notice, to redeem the security at the value put upon it in the creditor's proof. Conversely, a secured creditor may at any time give notice to the liquidator requiring him to elect whether or not he will exercise his right to redeem the security at the value put on it in the creditor's proof of debt and the liquidator shall make his election within 90 days, failing which he shall lose his right to redeem the security.

Further, on a winding up of a Cayman Islands company, the following debts are paid in priority to all unsecured debts or debts secured by a floating charge:

- any sum due by the company to an employee, whether employed in the Cayman Islands or elsewhere, in respect of salaries, wages and gratuities accrued during the four months immediately preceding the commencement of the liquidation;
- any sum due and payable by the company on behalf of an employee in respect of medical health insurance premiums or pension fund contributions;
- any sum due in respect of severance pay and earned vacation leave where the employee's contract has been terminated as a result of the winding up;
- any compensation payable to a workman in respect of injuries incurred at work pursuant to the Workmen's Compensation Act (as revised) of the Cayman Islands ("WCA");
- certain taxes and related penalties due to the Cayman Islands government comprising customs duties and penalties, stamp duty and penalties, license fees payable under Cayman Islands regulatory laws, fees payable under the Companies Act (such as annual return fees), and sums due in respect of taxes payable under the Tourist Accommodation (Taxation) Act (as revised) of the Cayman Islands;
- certain preferential claims in respect of severance pay and pension contributions may also rank ahead of secured creditors in limited circumstances. See section 40(2) of the Labour Act (as revised) of the Cayman Islands and section 65(3) of the National Pensions Act (as revised) of the Cayman Islands;
- subject to certain exceptions, eligible depositors with a bank incorporated in the Cayman Islands which holds a category "A" License issued under the Banks and Trust Companies Act (as revised) of the Cayman Islands in respect of the first CI$20,000 (or the equivalent in any foreign currency) of each of their deposits on a winding up; and
- section 21 of the WCA provides that a workman is subrogated to the company's rights against an insurance company in respect of liabilities insured under the WCA, and that those rights of subrogation are preferential debts.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and therefore file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy materials that we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room.

The SEC also maintains an Internet website at www.sec.gov that contains periodic reports, proxy and information statements, and other information about registrants that file electronically with the SEC, including us. Our recent SEC filings are also available to the public free of charge at our website at https://ri.voeazul.com.br. Except for the documents described below, information on or accessible through the website of the SEC or our website is not incorporated by reference into this Offering Memorandum.

We are "incorporating by reference" into this Offering Memorandum certain information we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. The information incorporated by reference is an important part of this Offering Memorandum.

The following documents, which have been filed with the SEC by Azul, are hereby incorporated by reference into this Offering Memorandum:

(i) the 2022 Form 20-F, which is dated April 19, 2023, and was filed with the SEC on April 20, 2023; and

(ii) the First Quarter 2023 Form 6-K, which is dated and furnished to the SEC on June 13, 2023.

Any other future filings (or portions thereof) made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act, after the date of this Offering Memorandum and on or prior to the Expiration Deadline (or the termination of the Exchange Offers) that are expressly identified in such filings as being incorporated by reference into this Offering Memorandum shall be automatically incorporated by reference into this Offering Memorandum. Information incorporated by reference is considered to be a part of this Offering Memorandum, and later information filed with the SEC on or prior to the Expiration Deadline (or the termination of the Exchange Offers), will automatically update and supersede information in, or incorporated by reference into, this Offering Memorandum. Unless specifically stated to the contrary in this Offering Memorandum or in any Current Report on Form 6-K filed with the SEC, none of the information that we disclose in any Current Report on Form 6-K that we have furnished or may from time to time furnish to the SEC is or will be incorporated by reference into, or otherwise included in, this Offering Memorandum.

You may request a copy of these filings, at no cost, by writing to us at the following address or calling us at (+55) 11 4831-2880 during regular business hours:

Azul Investments LLP
Attn: Investor Relations
Avenida Marcos Penteado de Ulhôa Rodrigues, 939, Tamboré, Edifício Jatobá, 8th Floor,
Castelo Branco Office Park, Barueri, São Paulo, SP 06460-040, Brazil

These filings can also be obtained through the SEC as described above or, with respect to certain of these documents, at our website at website at https://ri.voeazul.com.br. Except for the documents described above, information on or accessible through our website or any other website referred to in this Offering Memorandum is not incorporated by reference into this Offering Memorandum.

The mailing address of our principal executive offices is Avenida Marcos Penteado de Ulhôa Rodrigues, 939, Tamboré, Edifício Jatobá, 8th Floor, Castelo Branco Office Park, Barueri, São Paulo, SP 06460-040, Brazil and our telephone at that location is (+55) 11 4831-2880.

Application will be made to the SGX-ST for permission to deal in and the listing and quotation of the New Notes on the Official List of the SGX-ST. There is no guarantee that such application to the SGX-ST will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed, or reports contained, in this Offering Memorandum or the documents incorporated by reference into this

Offering Memorandum. The application to, approval in-principle from, and admission of the New Notes to the Official List of, the SGX-ST and quotation of the New Notes on the SGX-ST are not to be taken as an indication of the merits of the Exchange Offers, Azul, its subsidiaries, their respective associated companies, their respective joint venture companies or the New Notes. We will be required to comply with any undertakings given by us from time to time to the SGX-ST in connection with the listing of the New Notes, and to furnish to it all such information as the rules of the SGX-ST may require in connection with the listing of the New Notes.

None of the Existing Notes Issuer or the Obligors has not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the Existing Notes Issuer nor the Obligors will make an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing or incorporated by reference in this Offering Memorandum is accurate only as of the date of the document in which such information appears. Our business, financial condition, results of operations and prospects may have changed since that date.

ANNEX A: APPRAISAL REPORT OF THE TUDOAZUL PROGRAM

Valuation of:
TudoAzul Loyalty Program

Client:
Azul S.A.

Date:
May 18, 2023

Headquarters:

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I. VALUATION SUMMARY

SUBJECT ENTITY	TudoAzul Loyalty Program
NUMBER OF EMPLOYEES	Approximately 13,000 (Azul S.A.)
PURPOSE OF VALUATION	Financing or Refinancing Transactions
STANDARD OF VALUE	Fair Market Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	February 23, 2023
VALUATION APPROACHES	Income Approach
VALUATION METHODS	Discounted Cash Flow
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	R$16,178,383,000

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation (mba) was engaged by Azul S.A. (herein referred to as Azul, the "Client," or the "Company") to estimate the value of the of the Company's loyalty program, TudoAzul ("the "Subject Entity") as of February 23, 2023 (the "Valuation Date"). mba understands the Conclusion of Value will be for the Subject Entity's Enterprise Value.

It is understood by mba that the Conclusion of Value will be used by the Client in connection with potential financing or refinancing transactions. mba understands that this report may be provided to agents, trustees, lenders, noteholders, and other parties in connection with any such transaction. This Valuation Report was prepared solely for the purpose described in this paragraph and, accordingly, should not be used for any other purpose. This Report should not be distributed to any party other than the Client or the agents, trustees, lenders, noteholders, and other parties in connection with any such transaction without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Entity as of the Valuation Date. For the purpose of this valuation, historical financials and other information covering the results of the Subject Entity's operations were used, including forecasted financial performance and estimates of membership growth provided by the Client. It is mba's understanding that this information represents the most complete and reliable financial information available as of the date of this report. In this valuation, mba considered only circumstances that existed as of, and events that occurred up to, the Valuation Date.

Standard & Premise of Value

Two important concepts mba considered before beginning this engagement were the applicable Standard of Value and Premise of Value. Standard of Value deals with the definition of value or the type of value being proffered. Numerous Standards of Value exist and may be applicable for a particular valuation, depending on the purpose of that engagement. For this valuation, the applicable Standard of Value is Fair Market Value.

The IRS defines Fair Market Value as:

> *The price at which property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.*

Premise of Value deals with the "how" in a transaction. The valuation premise may be either in-use or in-exchange, with the determining factor being the highest and best use as considered from a market participant's perspective. In this case, the Conclusion of Value is based on an in-use valuation premise of Going Concern, which assumes that the Subject Entity will continue to operate into the future.

Scope of the Valuation Engagement

In *Revenue Ruling 59-60*, the IRS set forth the following factors to consider in the valuation of a closely held business. mba has considered each of these factors in this valuation.

- The nature of the business and the history of the enterprise from its inception;
- The economic outlook in general and the condition and outlook of the specific industry in particular;
- The financial condition of the business;
- The earning capacity of the business;
- The dividend-paying capacity; and
- Whether or not the enterprise has goodwill or other intangible value.

mba's scope of work included but was not necessarily limited to the following:

- Discussions with management concerning the assets, financial, and operating history, and forecasted future operations of the Subject Entity;
- Analysis of historical financial statements and other financial and operational data concerning the Subject Entity;
- Research concerning the Subject Entity, its financial and operating history, the nature of its products, services, and technologies, and its competitive position in the marketplace;
- Research and analysis concerning comparable public companies and transactions involving comparable companies;
- Research and analysis on the industry segment in which the Subject Entity operates;
- Research and analysis on current economic conditions and the outlook for the Latin American and global economies; and
- Analysis and estimation of the value of the Subject Entity as of the Valuation Date.

Sources of Information

The principal sources of information utilized in conducting this analysis were as follows:

- Interviews with Subject Entity;
- Internal financial statements for the years ending December 31, 2019, through 2022;
- Forecasted financial statements prepared by the Subject Entity;
- OAG Schedules Data;
- Subject Entity Presentations;
- Subject Entity's website and press releases;
- Statistics, studies, forecasts, and articles regarding the industry in which the Subject Entity operates and the economic environment;
- mba's internal data and values for the assets held by the Subject Entity; and
- Other industry news sources and internet research.

Financial and other pertinent information provided to mba by the Subject Entity has been accepted without further verification. mba did not audit, review, compile, or attest under the AICPA Statements on Standards for Attestation Engagements (SSAEs) to any financial information derived from those sources, and mba, therefore, assumes no responsibility for any such financial information.

Refer to Section XII for a complete list of Assumptions & Limiting Conditions applicable to this Valuation Report. Certain specific assumptions and limiting conditions may be cited in the body of this report.

III. SUBJECT ENTITY OVERVIEW

Nature, Background & History

TudoAzul is the loyalty program of Azul S.A and was created in 2009. Today, it has 15 million members, who are given access to multiple rewards and benefits and who can earn and spend points with a wide selection of air, commercial, and financial partners. It is currently the fastest growing loyalty program based on membership in Brazil.

TudoAzul aims to enhance customer loyalty and brand recognition, to do so, TudoAzul offers certain unique characteristics that permit the accumulation and redemption of points for flights operated by Azul and its airline partners, as well as through their commercial bank partners. Under the current model, (1) TudoAzul sells points to commercial and financial partners, (2) members accumulate points by flying Azul, other partners airlines, or by purchasing products and services from one of the commercial partners that award points, and by purchasing points directly from TudoAzul, and (3) members redeem points in exchange for rewards in the form of airline tickets or in the form of products and services from TudoAzul's commercial partners.

TudoAzul has worked hard to develop and maintain a diverse network of global airline partners that enable their users to redeem TudoAzul points for tickets with their partner airlines. Since the program's inception in 2009, they have established relationships with many notable airlines across the globe including TAP, Copa, Air Canada, Turkish and United. In addition to these partner airlines, TudoAzul has developed a unique redemption platform where members can use their points in more than 24 other international airline partners, allowing them to fly to thousands of destinations beyond Azul. Their distinct global network structure provides TudoAzul members with a broad range of attractive redemption opportunities and flexibility.

In 2014, together with Itaú, TudoAzul launched a credit card. Currently, it is considered the best airline cobranded card in Brazil, according to Melhores Destinos and Passageiro de Primeira, the two largest travel blogs/websites in Brazil. In 2015, Clube TudoAzul, an innovative subscription-based product was introduced. Clube TudoAzul gives subscribed members a fixed number of points per month, while also giving them access to unique offers and promotions. Currently, TudoAzul has partnered with the largest commercial banks in Brazil and Latin America including Itaú, Banco do Brasil, Bradesco, CaixaBank, and Santander; new fintech banks like C6, large retail chains, hotels, car rental companies and tour operators, gas stations, etc. to assure participants of the TudoAzul Program have a high range of points accrual options not only through their trips with airlines that are Commercial Partners of the Company but mainly in one's day-to-day life.

Strategy

The Subject Entity believes that it is well positioned to increase diversification and the usability of points as a currency to attract new members. Since its launch in 2009, TudoAzul started introducing initiatives to grow point usability and increase third-party sales. The main components of TudoAzul's strategy are as follows:

Maximize Customer Engagement

The Subject Entity intends to significantly expand member engagement by improving redemption accessibility and value. Increased engagement will be directly impacted by improved flexibility of point payments, improved inventory availability and pricing, and constant improvements in customer benefits. The Subject Entity also intends to develop and improve its relationships and multitude of business partners in diverse sectors of the economy, which provide access to a new, differentiated target audience.

Capture New Membership Opportunities Through Expansion and Growth

TudoAzul is poised to enhance its profitability and new membership opportunities with Azul's international expansion and new slots at São Paulo Congonhas Airport and Campinas/Viracopos International Airport. The airport is in a favorable position geographically due to its proximity to the city center of São Paulo, when compared with São Paulo/Guarulhos International Airport. The Company sees this endeavor as a critical component to its growth as a major airline operation not only in Brazil but in Latin America. Azul also aims to grow its international route structure, including new flights to Paris and Curaçao.

Aviation in Brazil presents an enormous growth opportunity as the market is expected to continue its substantial growth. Aviation in Brazil doubled over ten years, with passengers per year increasing 92.0% from 2008 to 2019 and Azul was responsible for over half of the market growth. Brazil's flights per capita when compared with other countries in Latin America suggest that an increase in capacity would help grow the market and generate opportunities to capture new membership.

Expand and Create a Diverse Network of Partnerships

The Subject Entity believes that expanding its network of commercial partners puts it in a better position to offer members additional opportunities to accumulate points, especially those members who are unable to accumulate sufficient points to earn reward tickets. Together with Azul's own tour operator, Azul Viagens, TudoAzul program members can utilize points to purchase flights on any airline, not just Azul and its partners. By developing deep strategic partnerships focused on growing collaboration with individual partners in key categories, the Subject Entity aligns new forms of redemption with controlled redemption costs. The Subject Entity intends to expand critical partnerships in key spend categories as well as with aggregators to increase share-of-wallet and usability.

In August 2021, Azul S.A. announced a strategic partnership with German air taxi designer Lilium to develop an eVTOL network in Brazil with anticipated delivery to commence no earlier than 2025, subject to completion of aircraft certification activities and any required regulatory approvals.[1] The strategic agreement with Lilium would allow Azul S.A. to add 220 eVTOL aircraft to their fleet with a total value of up to US$1 billion. This partnership is a huge growth opportunity with the potential to shape the future of the Brazilian aviation market and continue to offer a wide array of services for customers.

Competition

Latin America & the Caribbean have 17 Frequent Flyer Programs (FFPs), two of which are based in Brazil. TudoAzul also competes with programs for the international carriers that have a significant presence in their core markets.[2] The carriers and programs are listed below.

PROGRAM	CARRIER	COUNTRY	FREQUENCIES	ASKS (000)
TUDOAZUL	Azul Airlines	Brazil	324,415	42,333,202
MULTIPLUS	LATAM Airlines Group	Chile	248,095	51,332,170
SMILES	GOL Linhas Aereas S.A.	Brazil	236,901	43,815,944
TAP MILES&GO	TAP Air Portugal	Portugal	4,174	7,969,151
AEROLÍNEAS PLUS	Aerolíneas Argentinas	Argentina	3,915	1,179,220
AADVANTAGE	American Airlines	USA	1,909	3,764,694
MILEAGE PLUS	United Airlines	USA	1,741	3,634,923
FLYING BLUE	Air France	France	1,277	3,641,342
SKYMILES	Delta Air Lines	USA	1,128	2,200,306

Source: OAG Schedules Data, FY 2023 as of February 2023

[1] Azul S.A. company filings.
[2] TudoAzul's core markets are Brazil, Portugal, and the United States.

Management Team

As of the Valuation Date, the Subject Entity had a management team in place who collectively possessed a significant amount of expertise within the aviation industry and who mba believes is well qualified to achieve strategic and financial goals. A description of the management team is presented below as of the Valuation Date.

	SUBJECT ENTITY MANAGEMENT
CRISTINA YOSHIDA ***HEAD OF TUDOAZUL***	Ms. Cristina Yoshida currently serves as the Head of TudoAzul, Azul's wholly-owned loyalty program. Prior to her time at Azul, Ms. Yoshida worked at United Airlines as a Financial Planning & Analysis Associate in Chicago. She also held a position as a Business Development Manager for The Walt Disney Company in Los Angeles. In 2015, she joined Azul S.A. as General Manger of TudoAzul and Azul Viagens. Ms. Yoshida holds a bachelor's degree in civil engineering from Escola Politéncia da USP and an MBA from the Kellogg School of Management.
JOHN RODGERSON ***CHIEF EXECUTIVE OFFICER***	Mr. John Rodgerson is the Chief Executive Officer of Azul S.A. Mr. Rodgerson worked with David Neeleman on the original business plan for the incorporation of the Company and is one of its founding members. Mr. Rodgerson also served as Planning and Financial Analysis Officer at JetBlue Airways from 2003 to 2008. He previously worked for IBM Global Services from 2001 to 2003. He holds a bachelor's degree in Finance from Brigham Young University.
ALEXANDRE MALFITANI ***CHIEF FINANCIAL OFFICER & INVESTOR RELATIONS OFFICER***	Mr. Alexandre Malfitani is the Chief Financial Officer and Investor Relations Officer. Previously, Mr. Malfitani was the head of TudoAzul loyalty program and the Finance and Treasurer Officer. Mr. Malfitani joined the Company in 2008 as one of the airline's founding members. Before joining the Company, Mr. Malfitani worked at United Airlines in Chicago, in several leadership positions, including general treasury officer. Mr. Malfitani has an MBA with honors from the Kellogg School of Management and a bachelor's degree in engineering from Universidade de São Paulo. He is also a Chartered Financial Analyst (CFA).
ABHI SHAH ***CHIEF REVENUE OFFICER***	Mr. Abhi Shah has been the Chief Revenue Officer since September 5, 2014, and is one of the founding members of the Company. Before joining the team, he worked at JetBlue Airlines from 2004 to 2008 and at Boeing from 2000 to 2004. On October 5, 2022, Mr. Shah was elected President of Azul S.A.'s operating subsidiary, Azul Linhas Aéreas Brasileiras S.A., in addition to serving as President of the subsidiary ATS Viagens e Turismo Ltda. since July 2017. Mr. Shah holds a bachelor's degree in aerospace engineering from the University of Texas and a master's degree in Aerospace Engineering from the University of Washington.

IV. FINANCIAL STATEMENT ANALYSIS

Revenue

TudoAzul's revenue in 2022 was 49.0% over 2021 revenues. TudoAzul has experienced a substantial revenue recovery, and a stronger bottom line with an increase in EBITDA margins since before the pandemic. The Company's revenue comes primarily from awards redemptions by customers when they exchange their points for airline tickets, products, and services, and from breakage revenues, if issued points expire without being redeemed.

Points issued are initially recorded as deferred revenue (current and non-current liability) (air traffic liability in the balance sheet) and subsequently recognized as revenue in the income statement as they are redeemed by the members of the TudoAzul loyalty program. Given the nature of revenue recognition, gross billings, which corresponds to the total billed for the sale of points, are a useful indicator of current and future revenues. TudoAzul's gross billings for 2022 were 79.0% higher in comparison to gross billings in 2019. Between 2019 and 2022, TudoAzul's EBITDA margin was in the range of 32.0% and 42.0%.

Breakage revenue is calculated based on the calculation of points with a high potential to expire without being used by TudoAzul members. The calculation is applied to points issued in the period, originating breakage revenue, considering the original number of total points sold. According to the TudoAzul loyalty program's policy, all points in the customers' accounts under TudoAzul expire within 24 months as of the date of the relevant flight.

Expenses

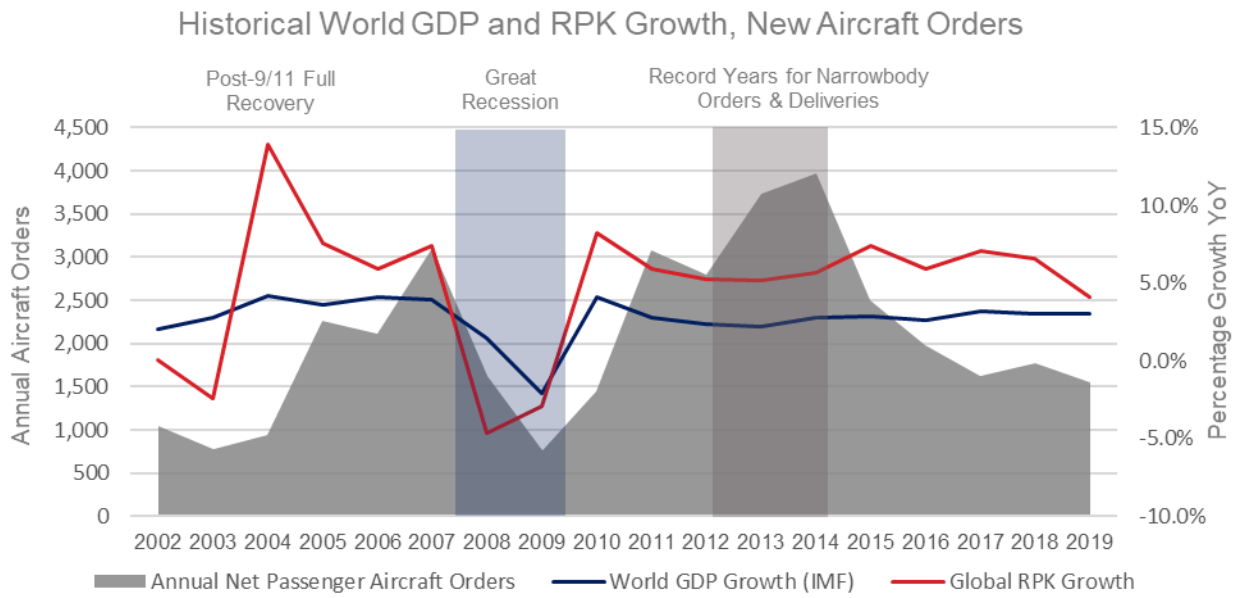
The primary expenses are direct costs associated with the redemption of points, including the cost of ticket purchase and the cost of product redemption. These represent the cost that TudoAzul is required to pay for tickets redeemed by program members to fly on Azul or any of its partners and the costs of hotel nights, rental cars, tours, and merchandise, among others. TudoAzul is not a separate legal entity and therefore its revenues and expenses are integrated with those of Azul.

V. AVIATION INDUSTRY OVERVIEW

A key component of any appraisal is an understanding of the market at the time the valuation is rendered, contextualized by recent notable developments. Previous years have been filled with uncertainty, but the industry heads into 2023 with hopes that indications of a global recession, supply-chain constraints, and climbing interest and inflation rates do not hinder further recovery. However, the International Air Transport Association (IATA) has forecasted airlines' return to profitability in 2023, and positive signs are emerging even among a slowing economy. Economic outlook in Asia also remains positive, providing potential means for further recovery. In the following sections, mba defines current and recent passenger air market conditions, highlights major factors influencing values in aviation, and offers mba's view of the current market situation for the aviation industry.

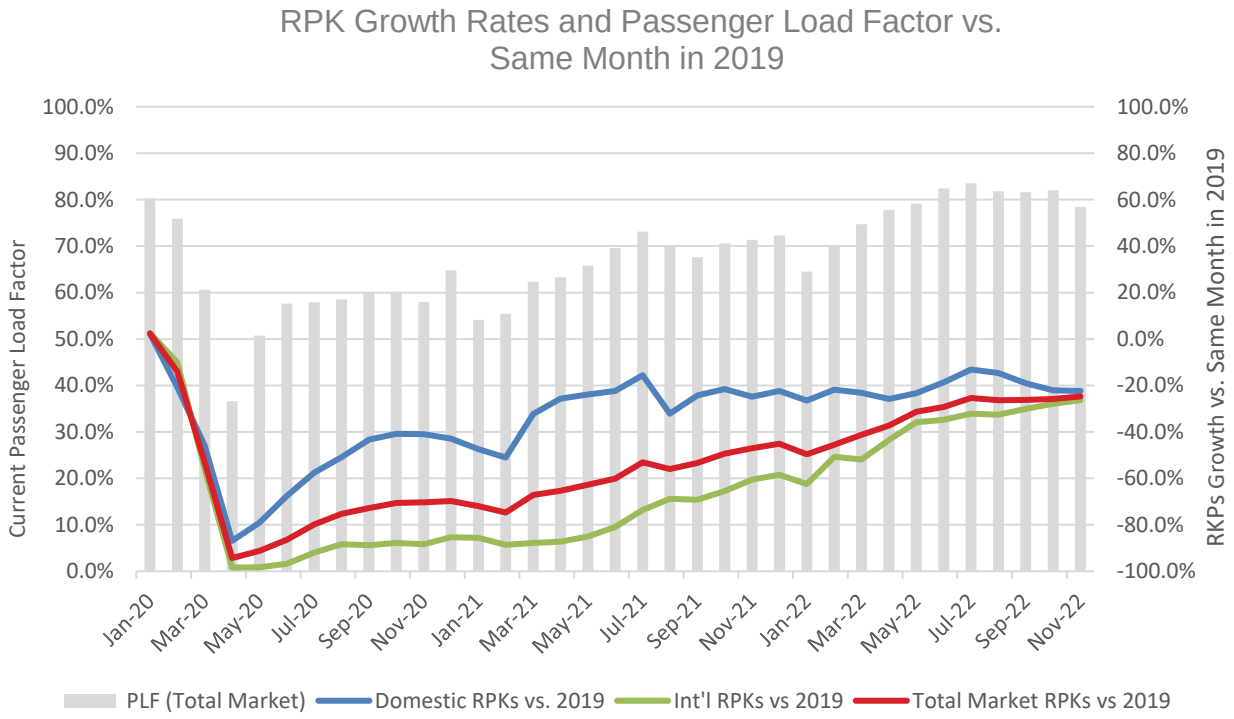
Passenger Traffic

Air traffic growth is measured by Revenue Passenger Kilometers (RPKs), the number of kilometers traveled by paying passengers, and has historically been a fundamental indicator of the health of the industry. Annual macroeconomic factors like Gross Domestic Product (GDP) growth and microeconomic metrics like the number of new aircraft orders have typically been highly correlated to RPK growth and retraction, as seen in the chart below. While 2018 marked the ninth consecutive year of above-trend growth in RPKs, all regions began retracting in 2019, with North America and Europe stagnating. GDP rates, too, had begun flattening in 2018 and shrank further in 2019, especially in advanced economies.



Sources: mba REDBOOK FLEET; Original Equipment Manufacturers (OEMs); International Monetary Fund (IMF); International Air Transport Association (IATA)

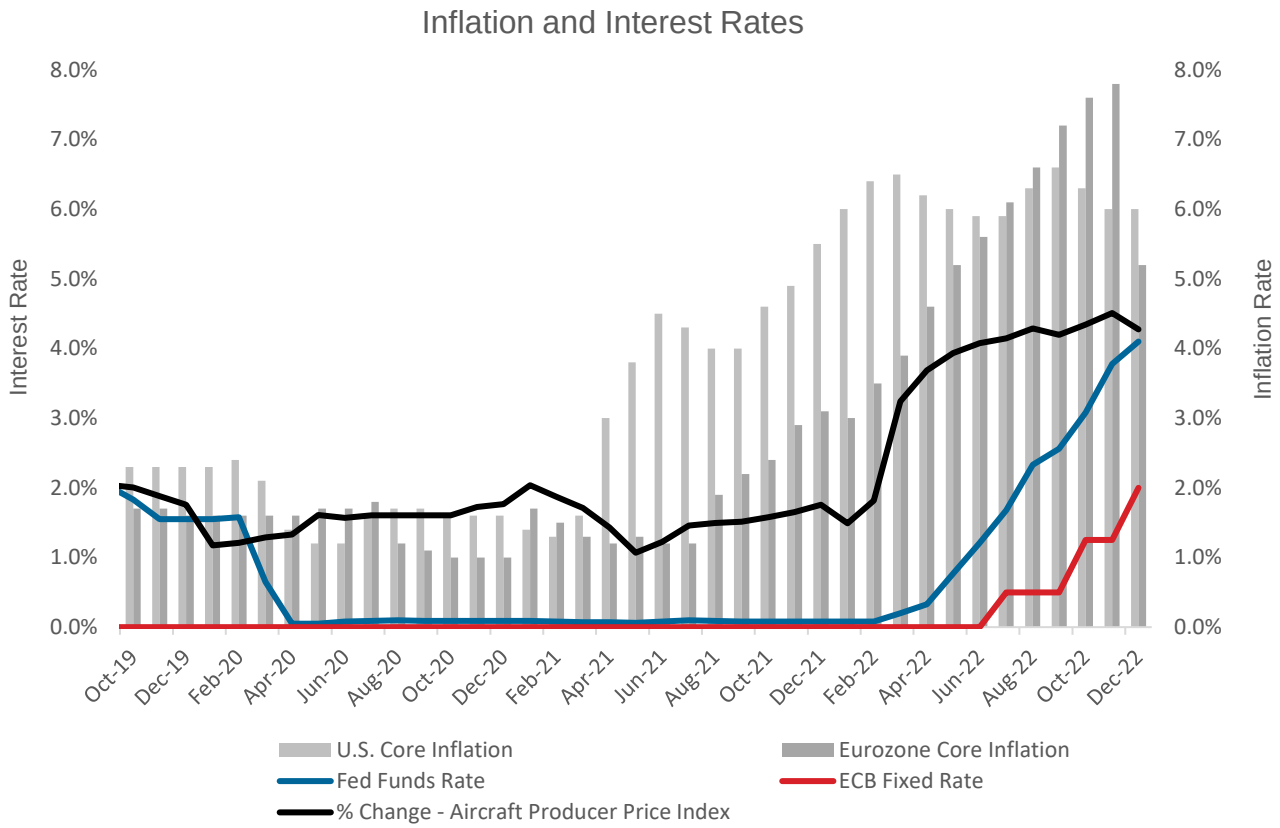
RPKs are also regularly analyzed alongside other airline monthly trailing indicators like Passenger Load Factors (PLF), a measure of how much capacity is filled, and Available Seat Miles (ASMs), which IATA defines as a measure of carrying capacity available to generate revenue. After the precipitous decline in all metrics after the onset of the COVID-19 pandemic in March and April 2020, RPKs, PLFs, and ASMs have grown in fits and starts vis-à-vis their figures in 2019. Both international and domestic RPKs still remain below pre-pandemic highs going into 2023. Even with easing travel restrictions and the reopening of routes, global RPKs are still not expected to return to 2019 levels until 2024 (IATA, Global Outlook for Air Transport).



Source: IATA

Macroeconomic Indicators

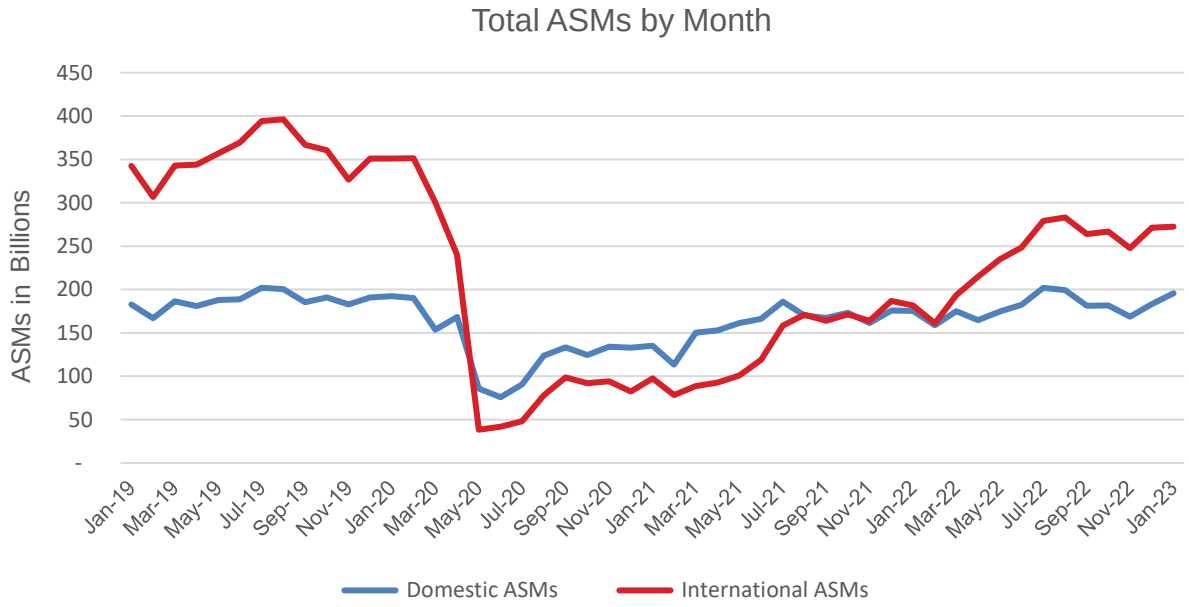
Air traffic strengthened throughout 2022, but interest rates rapidly increased as a result of high levels of inflation. mba continues to monitor inflation's impact on the industry and recognizes that it has temporarily influenced valuations in the near term. mba expects this trend to continue as inflation remains elevated. Whether this will result in a sustained effect on residual values for aircraft has yet to be determined. Furthermore, as inflation and interest rates rapidly rose throughout 2022, escalation costs on new aircraft, engines, and parts were affected. This is exemplified by the Aircraft Producer Price Index, which measures the average change over time in the selling prices received by domestic producers for their output (United States Bureau of Labor Statistics). The index saw stagnation in the latter half of 2022, providing hope that continual increases in interest rates will slow escalation costs and price increases for new deliveries.



Source: Federal Reserve Economic Data (FRED)

Air Traffic Recovery

mba expects a continual uptick in ASMs throughout 2023 as travel demand and capacity recover. However, it is still undetermined when both international and domestic ASMs will realize their previous 2019 highs. During the height of the pandemic in 2020 and 2021, mba conducted a study forecasting the expected recovery in both domestic and international ASMs. The 2021 study forecasted 2022 domestic ASMs would be 22.5% below 2019 levels and recover fully in 2024 while international ASMs would lag behind and reach pre-pandemic highs by 2026. However, with domestic ASMs showing a sharp rebound in 2021 and 2022 global domestic ASMs only 5.1% below their 2019 highs, according to OAG, mba now expects domestic ASMs to recover completely in 2023. mba's forecast projected 2022 international ASMs at 64.1% below 2019 highs, whereas the actual numbers were 33.3% below 2019 highs. Though the forecast indicated international ASMs well below their actual 2022 numbers, mba still foresees ASMs reaching their pre-pandemic highs well into 2025 and 2026.



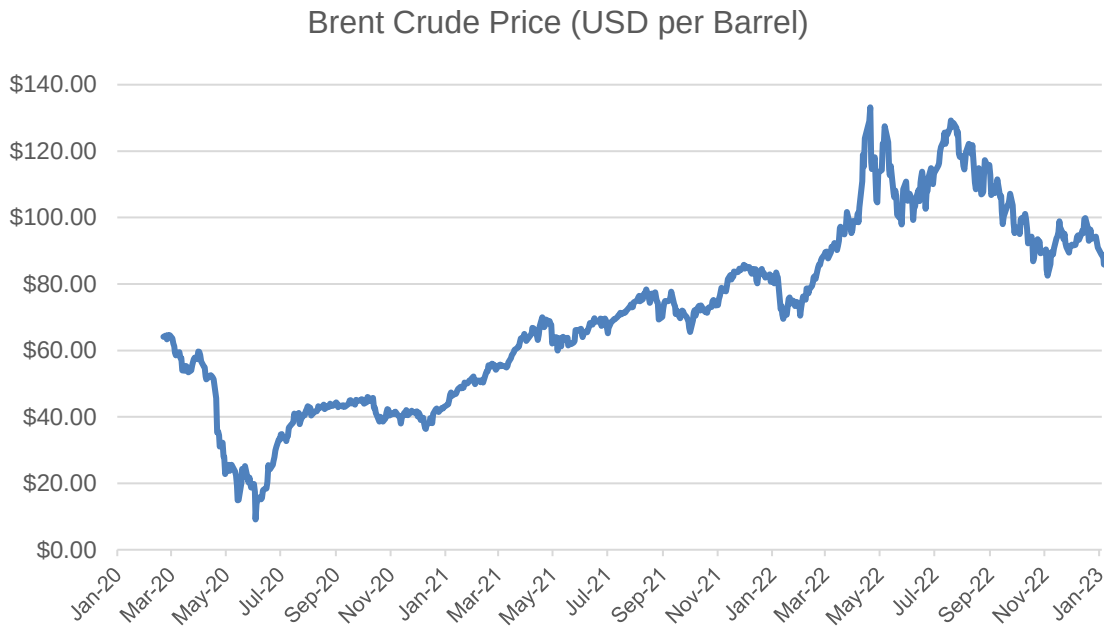
Source: OAG

The major headwind that could impact recovery would be softening travel demand due to a slowing economy in the West. The polarity in economic outlook between the Asia and Western nations could also be an influential factor for the strength of recovery heading into 2023. Asia has primarily lagged in air traffic as a result of strict testing and quarantine. However, there is currently little concern for an economic downturn in the region, as it has not needed to aggressively fight inflation like most western nations. If a downturn were to occur, aviation may also be better insulated as the industry has loosened its concentration and dependence on Western economies compared to the past.

Effects of Oil Prices on Aviation

Historically, oil prices have impacted airlines and industry stakeholders, as they typically constitute upwards of 20.0–30.0% of operators' total expenses. Previous spikes led OEMs to quickly introduce more fuel-efficient aircraft, while drops in fuel price have typically kept older aircraft in service longer. High and volatile fuel prices can have significant impacts on airlines' balance sheets and, in some cases, have been the final nail in a cash-strapped airline's coffin.

After a period of volatility between 2007 and 2011, oil prices remained over US$100.00 per barrel until the end of 2014, leading to the launch of the A320neo in December 2010 and the 737 MAX in mid-2011 as prices surged. Next generation widebodies, too, have been announced when oil prices are high, as the 787 was in 2004 when prices were climbing, and as the A330neo family was in July 2014, right at the tail end of another era of high oil prices. However, by January 2016, Brent Crude had fallen to a new 13-year low, dropping to US$26.00 per barrel. During this period, larger, older, less-efficient widebody aircraft were utilized in larger numbers, keeping residual values for such aircraft higher than one would expect in higher-fuel-price environments.



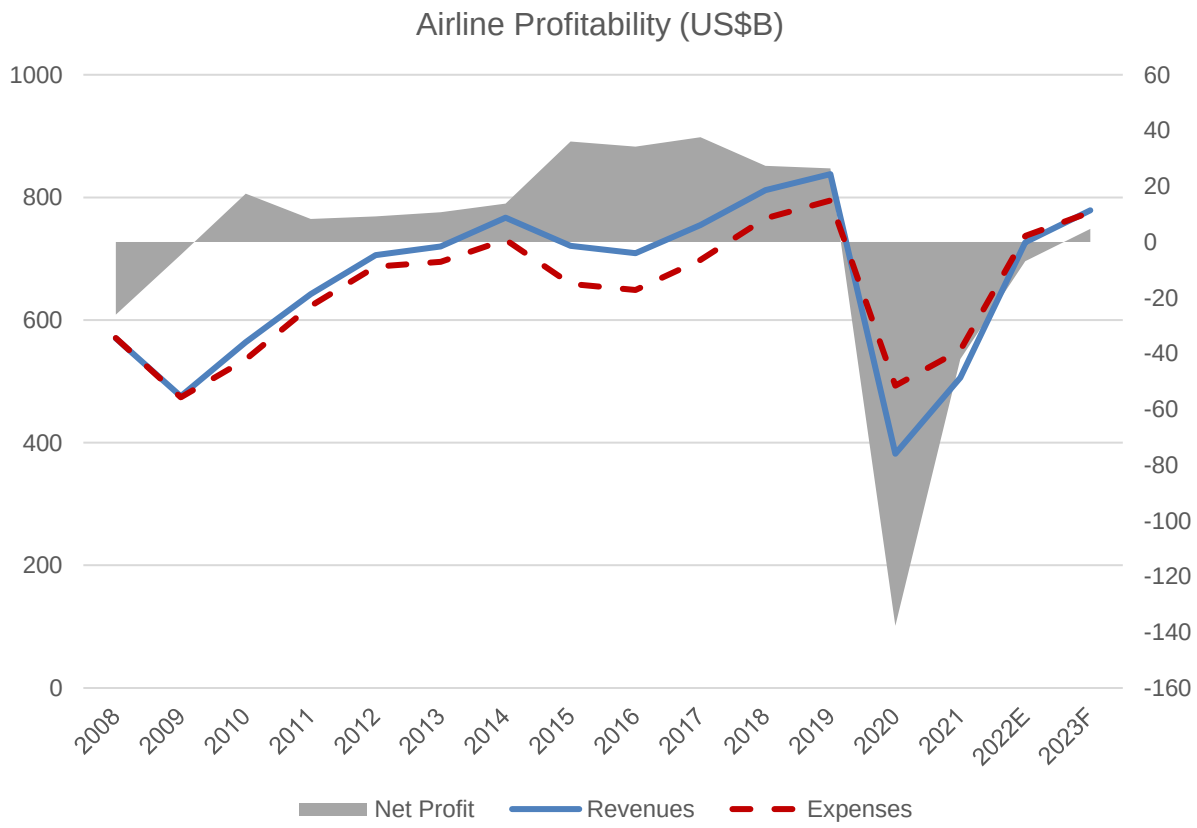
Source: EIA, www.eia.gov

Oil prices in 2020 briefly fell to new 20-year lows but have since rebounded strongly; in 2022, oil prices rose above US$120.00 per barrel for the first time since 2015. Prices are currently quite volatile and have been decreasing steadily since June 2022. As of January 2023, the price of oil was around US$80.00 per barrel. Furthermore, the outlook on prices is highly uncertain due to Russia's war on Ukraine limiting supply and OPEC holding back increasing output significantly. A potential recession in the West could further limit demand in the near term.

Industry Profitability

The airline industry experienced a decade of solid performance with revenues and positive net profitability between 2010 and 2019. Virtually grounded by COVID-19 in 2020, the airline industry suffered substantial loss in connectivity and the economic benefits it generates, resulting in a US$137.7 billion loss for the industry in 2020, followed by losses of US$45.1 billion in 2021. Forecasts for 2022 project that the recovery in the airline industry will continue but will likely end the year with a net loss of US$9.7 billion, followed in 2023 by a forecasted US$3.2 billion profitability.

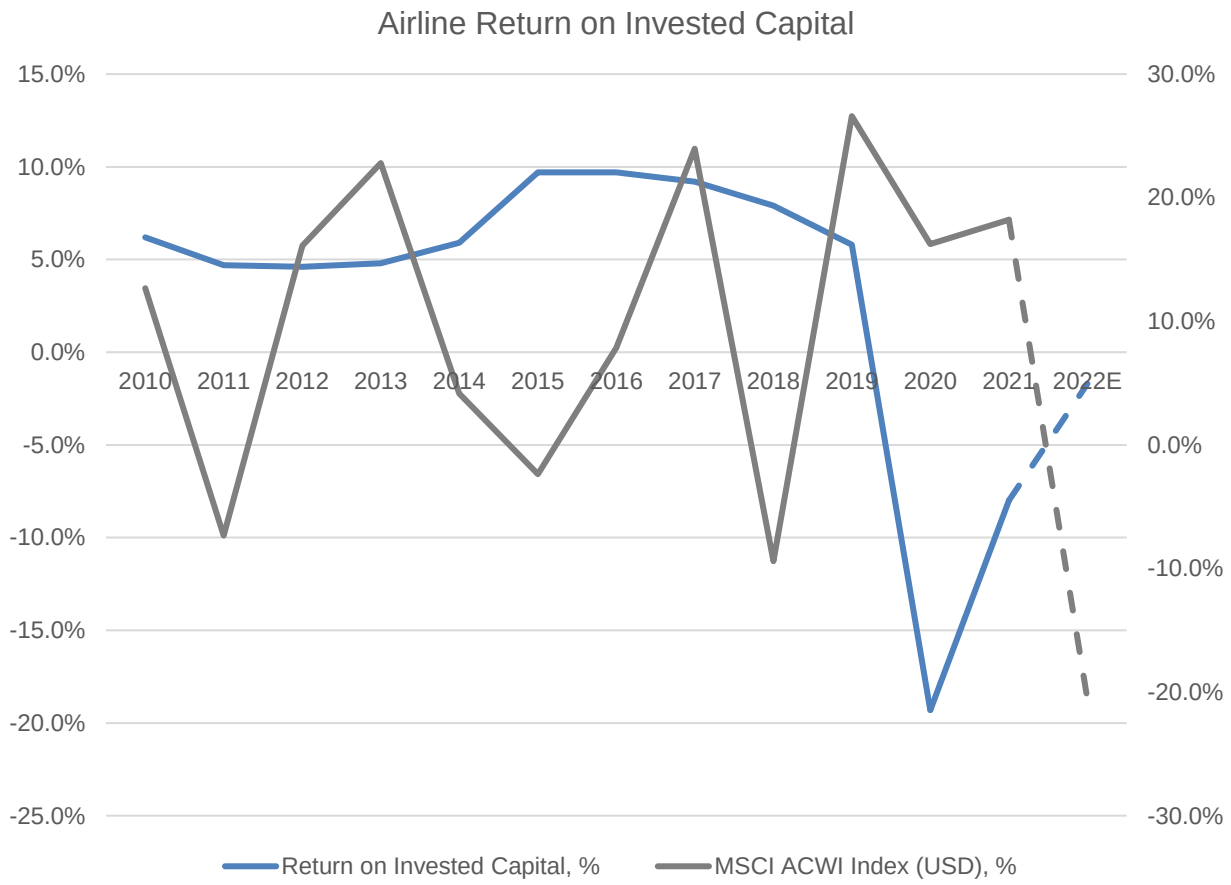
The graph below displays profitability numbers for the global airline industry as per IATA.



Source: IATA Industry Statistics Fact Sheet, IATA COVID-19 Impact Assessment, mba Analysis

Return on Invested Capital

Return on Invested Capital (ROIC) for the airline industry was -8.0% for 2021, a decline due to the COVID-19 pandemic but an increase from 2020's low of -19.3%. The stability in airline margins and ROIC leading up to 2019 was driven by a strong economy, allowing unit cost increases to be recovered through higher load factors and some rise in yields. The graph below presents airline industry ROIC as compared to annual returns for MSCI's ACWI index, which is a global equity index capturing both developed and emerging markets.



Source: IATA, MSCI (2022 Data)

VI. FREQUENT FLYER PROGRAMS OVERVIEW

Originally designed as marketing tools for rewarding customers, loyalty programs have expanded in size and scope since inception. In 1981, American Airlines was the first airline to institute an FFP, AAdvantage®. In the intensely competitive post-deregulation environment, other airlines quickly saw the rationale of compelling customer loyalty through FFPs and followed American Airlines' lead. Four years later, to lure additional business and gain product visibility, the first mileage accrual relationship was formed between a credit card company and an airline.

FFP revenues and costs of goods sold can generally be broken down into the following types:

	TYPE	INCLUDES
REVENUE	Air Billings	*Points sold to airline and air partners*
	Banking, Retail & Services Billings	*Points sold to program partners, including co-branded credit cards and retail & service partnerships*
	Breakage	*Expired points, never redeemed*
	Other	*Hedging or other interest income*
COST OF GOODS SOLD	Air Redemption	*Cost to purchase air ticket or ancillary from air partners*
	Product Redemption	*Cost to purchase products from program partners*
	Other	*Fees, commissions, product taxes, etc.*

Most of the profits derived from FFPs come from the bulk purchases of miles or points made by large banks, hotels, car rental companies, and other associated businesses. Subsequently, these points are used by the banks' loyalty programs to reward their customers. Since these sorts of arrangements between airlines, major banks, and other businesses have become commonplace, it is logical to assume that the total value of FFPs globally has the potential to reach hundreds of billions of dollars in aggregate.

As attitudes about FFPs and their value to both the airlines and consumers evolve, the industry finds itself in a situation where the points accumulation systems are different at each airline. Delta Air Lines and United Airlines led the way among the legacy carriers in switching their FFPs to spend-based programs. The major low-cost airlines also tend to prefer spend-based programs, though this attitude is not universal. It is important to note that, even at those carriers that retain mileage-based FFPs, award levels are typically higher for those passengers who opt to either spend more for a ticket or travel in a higher class of service. The airlines' FFP points accumulation systems have the power to change consumer behavior significantly. Because spend-based programs reward the customers who pay the most for their tickets, these sorts of FFPs have a disproportionately negative impact on the accumulation of mileage or points by leisure travelers. Conversely, spend-based FFPs have a significantly positive impact on the frequent business traveler's potential to accumulate a sizeable mileage or points balance.

Some FFPs are structured like a recurring membership service, though its usage varies between different carriers. Hawaiian Airlines has a paid, subscription-based loyalty program, known as Premier Club. The Club provides its members with various benefits, including free checked bags, access to select airport lounges, discounts on award redemptions, 500 miles for each neighbor island flight, express check-in, priority security lines, and priority boarding. Members pay an annual subscription fee ranging from US$249.00 to US$299.00.

Spirit Airlines unveiled its $9 Fare Club in 2007, presenting customers with an opportunity to exclusive pricing on off-peak travel, as well as discounts on services, such as bag fees. Frontier Airlines began its Discount Den membership program in 2014, allowing passengers to pay an annual fee of $59.99 in exchange for discounted airfare. Both programs allow for the benefit to be applied to any companions traveling with the member.

Volaris Airlines has a similar membership program, the Volaris V.Club. This membership provides customers with a similar opportunity to purchase airfare with exclusive pricing for members, as well as receive discounts towards other ancillary services and products.[3] In addition to the V.Club, Volaris has the V.Pass, which provides customers with the ability to fly to a destination of their choice every month, with a guaranteed seat and fixed monthly cost.[4]

In Europe, Easyjet has a subscription-based platform, Easyjet Plus. This membership program costs £215 and offers benefits, such as allocated seating, fast-track security, an additional cabin bag, and early boarding on all booked flights. As a low-cost carrier, Easyjet generally charges on an a-la-carte basis for the above amenities.[5] Similar to Easyjet Plus, Ryanair was scheduled to launch its Ryanair Choice membership program. For an annual fee of €199.00 or £199.00, customers are offered free seat assignments, fast-track security, and priority boarding, which includes an additional bag. Though this program was expected to be introduced in 2019, it has yet to launch.[6]

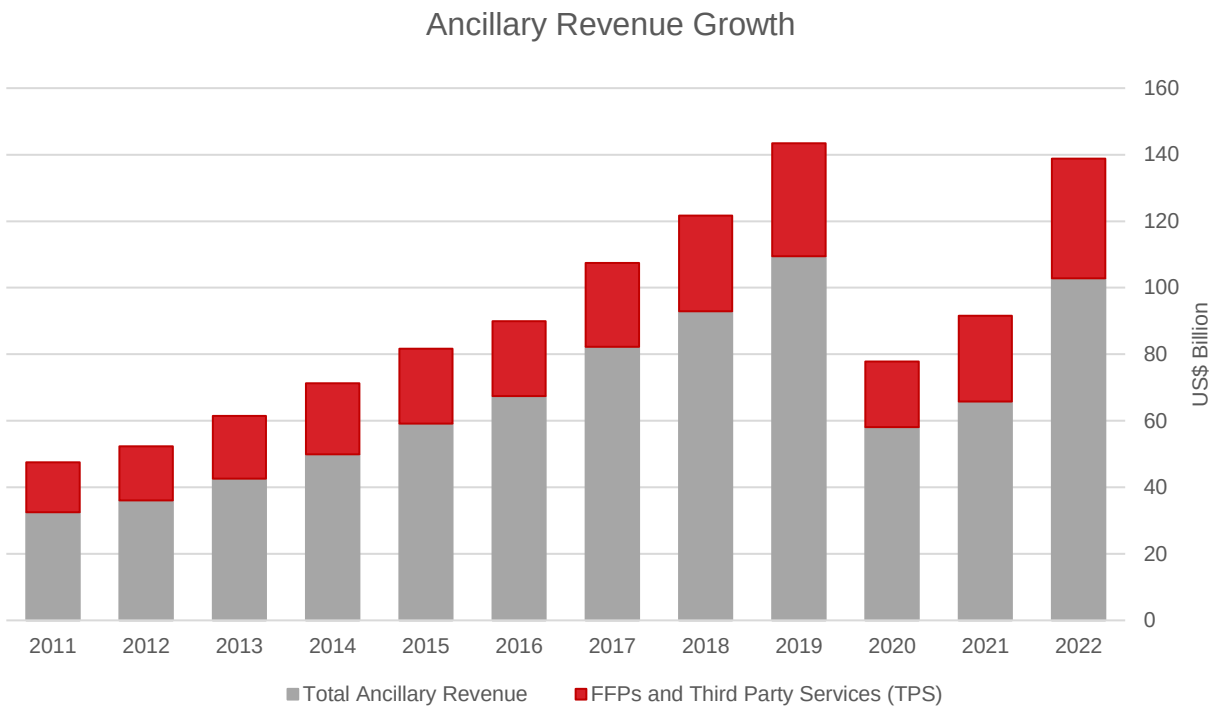
[3] https://www.volaris.com/vclub.
[4] https://vpass.volaris.com/en-us/y4/subscriptions.
[5] https://plus.easyjet.com/.
[6] https://www.ryanair.com/try-somewhere-new/ie/en/travel-tips/customer-care-improvements-2019/.

While many carriers utilize a recurring membership model to provide ancillary benefits either at a discount or free of charge, other airlines use a subscription platform to provide customers with a fixed price to book travel on multiple flight segments. AirAsia, a low-cost carrier in the South and Southeast Asian markets, unveiled its Unlimited Pass for MYR 499 (equivalent to US$119.00), permitting customers to travel on any medium-haul or long-haul flights on AirAsia X for one year. The pass is only valid for those living in Malaysia, and excludes any taxes, fees, or ancillary services, which will be additional costs.[7] AirAsia's Thailand subsidiary unveiled a similar pass in July 2020, allowing for customers to travel domestically within Thailand for six months for THB 2,999 (US$97.00). Given the coronavirus pandemic, this pass was also intended for Thai residents, in an effort to boost domestic tourism.[8]

Lufthansa unveiled the Flightpass on its SWISS subsidiary carrier, allowing passengers to fly ten one-way flight segments, or five round-trip flights, from Geneva for a fixed rate. Customers have the ability to choose a subscription to fly to the same city each time or choose from various cities that SWISS flies nonstop to/from Geneva, appealing to both leisure travelers and business travelers alike.[9] The program was initially destined for Lufthansa's low-cost subsidiary Eurowings. In addition to the SWISS Flightpass, Etihad also introduced a similar program in February 2020. Initially branded as TravelPass and later as Airpass, Etihad marketed its subscription-based platform for passengers traveling to Europe, Australia, or New Zealand onboard an Etihad flight. Once the passenger arrives at their destination, they are able to utilize the Airpass for up to ten internal flights with Etihad's regional partners.[10]

FFP revenues are considered a part of ancillary revenues for most airlines. Ancillary revenues are revenues beyond the sale of tickets that are generated by direct sales to passengers, or indirectly as a part of the travel experience. Globally, airlines earned an estimated US$109.5 billion in ancillary revenues in 2019; FFP revenues accounted for US$33.9 billion, or 31.0% of ancillary revenues.[11] The industry experienced a decline in total revenue during the pandemic but has shown a strong recovery since. In 2022, airlines earned an estimated US$102.8 billion in ancillary revenues; FFP revenue accounted for US$36.0 billion, or 35.0% of ancillary revenues.

[7] https://newsroom.airasia.com/news/2020/2/29/eng-aaunlimitedpass.
[8] https://newsroom.airasia.com/news/2020/6/29/first-time-ever-the-new-airasia-unlimited-pass-set-to-accelerate-domestic-thai-tourism.
[9] https://www.lufthansagroup.com/en/newsroom/media-relations-north-america/news-and-releases/swiss-to-introduce-flight-flightpass-for-geneva.html.
[10] https://www.etihad.com/en/book/airpass.
[11] Ideaworks Yearbook 2019.



Source: Ideaworks Yearbook 2022

Current Programs by Region

As of January 2023, there were 220 FFPs. The basic system is common to all programs: members must enroll in the scheme, mostly free of charge, and accrue points (with miles being the standard unit) every time a member flies or uses services of co-branded partners. As soon as a specified number of points are achieved, they can be exchanged for a reward. FFPs are a very important marketing tool, it is not a surprise that most airlines have their own.

PROGRAMS BY REGION	# OF FREQUENT FLYER PROGRAMS
ASIA	90
EUROPE	46
AFRICA	36
NORTHERN AMERICA	23
LATIN AMERICA & CARIBBEAN	17
OCEANIA	8

Source: Global Flight

Of the 90 different programs in Asia, 13 are in China. In Europe, the highest concentration of programs are in Russia, which has nine different programs, and both France and Spain, which are tied with five programs each. In Africa, Nigeria has five different airline FFPs, while the remaining programs in Africa vary. South America maintains nine FFPs, led by Brazil with two. The Caribbean has four individual programs while Central America has four, two of which are in Mexico. Northern America's programs are split with 15 in the United States and eight in Canada. Oceania's eight programs are primarily in Australia, New Zealand, and French Polynesia.

Program Management

There are four management options for FFP at airlines today: simple internalized FFPs, FFPs that are separate business units, partially floated FFPs, and fully spun-off entities. Globally, a sizable percentage of airline loyalty programs are relatively underdeveloped. These internalized programs have not yet matured past a stage that focuses purely on passenger loyalty to enhance an air carrier's traditional business. The advantage of these relatively simple programs is that they are fairly inexpensive to manage and can exist in an environment of limited resources. The principal disadvantage of these limited-scope FFPs is that they don't directly produce revenues; since they are focused purely on organic growth, it is difficult for internalized FFPs to attract partners that can provide additional ancillary revenue streams.[12] It is likely that many of these airlines will be looking to enhance the structure of their FFPs to realize more stable streams of revenue.

Program Transaction Overview

In 2010, LATAM became the first airline in Latin America to offer shares of its FFP, Multiplus, to the public. LATAM sold 27.3% of its share in Multiplus, which is classified as a partial spin-off. A partial spin-off is managed, sells stock, and reports earnings separately from the respective carrier, but the airlines themselves retain a majority stake. This allows the airlines to raise additional capital via the markets while still retaining the ability to garner some revenue from their programs. GOL went even further with its Smiles program in 2013, retaining only a 57.0% total stake.[13] While each airline was able to raise capital via a public offering, these arrangements mean that they cannot access the entirety of the profits from their FFP programs to use for growth or to cover expenses in an economic downturn. It is worth noting that the holding companies for the FFPs trade at consistently higher values than the airlines themselves. Air Canada spun off its FFP, Aeroplan, in 2005, gradually selling stakes in their program until its ownership was completely under a separate company. The resulting company, Aimia Inc., acquired other loyalty programs and made monetizing those products its core business. While the sale of Aeroplan did allow Air Canada to access much-needed capital to stay afloat, it robbed them of the ability to use their FFP as a source of ancillary revenue. Realizing that this arrangement placed them at a significant competitive disadvantage, Air Canada signed a definitive agreement in November 2018 to buy back the Aeroplan loyalty program from Aimia Inc. for US$450 million in cash. Under the deal, Air Canada assumed US$1.9 billion of Aeroplan miles liability.[14]

[12] Ernst & Young Advisory. Frequent Flyer Program: Ready for take-off. Ernst & Young Advisory. Web. 2014.
[13] Ernst & Young Advisory. Frequent Flyer Program: Ready for take-off.
[14] https://www.cbc.ca/news/business/air-canada-aeroplan-aimia-1.4920551.

In 2018, LATAM announced its intentions to buy back the 27.3% shares from the market and make Multiplus private.[15] In October 2018, GOL announced it would buy out minority shareholders of Smiles and delist the subsidiary.[16] The recent buybacks from the different airlines show a combination of the strength of revenue generation in FFPs and the cash flexibility desired by the airlines.

Another example of an FFP spin-off is Lufthansa and its Miles & More program. In 2014, Lufthansa split off its FFP unit into a separate entity that is still 100.0% owned by Lufthansa AG. Miles & More currently boasts a wide array of partners, including nearly 40 airline partners and more than 270 non-airline associated businesses.[17] While the Lufthansa/Miles & More transaction was not a spin-off to an entirely separate entity like the Air Canada/Aimia transaction, its success may provide a template for other airlines looking for greater flexibility in accessing the financial power of their FFPs.

In 2020, as a result of the coronavirus pandemic's effect on passenger air travel demand, carriers utilized their assets in an effort to bolster their ailing liquidity positions. American Airlines was successful in pledging its loyalty program, AAdvantage, towards a government-backed loan offered as a part of the CARES Act.[18] In June 2020, United Airlines announced that they were successfully able to leverage their subsidiary loyalty program, MileagePlus, to obtain US$5 billion in liquidity. United Airlines cited "significant stable free cash flows, strong EBITDA margins, and value creating loyalty" as positive attributes of the program that may have led the carrier to utilize the MileagePlus program to raise cash during difficult times for the industry.[19] In September 2020, Spirit Airlines contributed its brand intellectual property and its Free Spirit affinity credit card program and its $9 Fare Club program assets and intellectual property to newly created entities. Delta Air Lines was able to raise US$9 billion in September 2020, in new bonds and loans backed by its SkyMiles loyalty program.[20] In November 2020, Azul completed a settlement of its public offering of convertible debentures in Brazil secured, among other things, by Azul assets, including certain intellectual property assets.[21] In January 2021, Hawaiian Airlines issued new debt backed by its brand intellectual property and Hawaiian Miles Loyalty program.

[15] https://www.reuters.com/article/us-latam-airlines-multiplus-delisting/chiles-latam-airlines-to-take-multiplus-loyalty-program-private-idUSKCN1LL35E.
[16] https://www.reuters.com/article/smiles-ma-gol-linhas-ae/brazil-airline-gols-talks-on-smiles-takeover-seen-taking-3-months-exec-idUSL2N1Y318L.
[17] Miles & More Factsheet, as of January 2019.
[18] https://news.aa.com.
[19] https://ir.united.com/node/23771/html.
[20] https://www.reuters.com/article/us-delta-air-debt/delta-taps-9-billion-in-financing-against-loyalty-program-idUSKBN268213.
[21] https://newsroom.aviator.aero/azul-s-a-announces-launch-of-offering-in-brazil-of-brazilian-law-convertible-debentures/.

In the event that a carrier undergoes bankruptcy proceedings, the direction that FFPs can take varies greatly. Given the flexibility that FFPs have with regards to valuations and redemption opportunities, there is no guarantee that programs may exist should a carrier cease operations. In August 2017, when Airberlin ceased operations, their Topbonus loyalty program continued to allow redemptions. Shortly after the carrier had announced its bankruptcy, the program itself declared bankruptcy. Topbonus was a separate entity from Airberlin, with Etihad Airways owning 70.0% of the program as well as a minority stake in the airline.[22]

In 2019, Jet Airways suspended its operations due to financial reasons, as the carrier defaulted on a number of its aircraft leases and failed to acquire emergency funds to stay afloat. Its loyalty program, Jet Privilege, which was jointly owned by Jet Airways and Etihad Airways, remained in a suspended state after the partner carrier ceased its operations. In November 2019, the Jet Privilege program was then rebranded into InterMiles, which was still a part of the Etihad Aviation Group, as was its predecessor. While there is no dedicated airline partner on which to utilize InterMiles, the program aims to provide its members a variety of flexible redemption programs and has picked up where Jet Privilege has left off, allowing the loyalty program's point-holders to utilize some value rather than losing them altogether.[23]

In the event of a merger between two airlines that have their own FFPs, one of the programs is generally absorbed into the other program in an effort to maintain loyalty. In 2015, when US Airways and American merged, their FFPs merged as well. US Airways' Dividend Miles transferred into AAdvantage miles at a 1.1 ratio. In January 2017, Virgin America's Elevate program was integrated, and later absorbed, into Alaska Airlines' Mileage Plan program. Each Elevate point could be converted into 1.3 Mileage Plan miles, encouraging an easy transition as the two carriers merged into one entity.[24]

[22] https://thepointsguy.com/2017/08/air-berlin-topbonus-program-bankrupt/.
[23] https://www.intermiles.com/pressroom/jetprivilege-is-now-intermiles.
[24] https://www.alaskaair.com/content/travel-info/alaska-vx/elevate-members.

VII. VALUATION APPROACHES & METHODS CONSIDERED

To arrive at the Conclusion of Value, mba considered three generally accepted approaches to valuation, namely: the Income Approach, the Market Approach, and the Cost Approach. The Income Approach seeks to convert future economic benefits into a present value. The Market Approach relies on values indicated by similar assets or comparable transactions. The Cost Approach is based on a comprehensive or all-inclusive analysis of the relevant cost components.

Income Approach

The Income Approach is based on the premise that the value of a security or asset is the present value of the future earnings capacity that is available for distribution to investors in the security or asset. Expected future earnings capacity can be measured by one of the various benefit streams, such as cash flows, net income, or earnings before taxes, and can be calculated on a debt-free or after-debt basis. Choice of a proper stream of benefits depends on various factors, such as the enterprise's capital structure and its line of business. The Income Approach typically requires entity-specific assumptions, which are evaluated in the context of marketplace assumptions.

Market Approach

The Market Approach relies on values indicated by similar assets or comparable transactions. Using the Market approach, the appraiser conducts a review of historical sale transactions and lease rates. Values for a subject entity are then derived based on the comparable data. In the Market Approach, values may also be derived from discussions with knowledgeable market participants and regulatory agencies.

Cost Approach

The third considered approach to valuation is the Cost Approach. This approach is based on the economic principle of substitution and the asset value is influenced by the cost to substitute or replace the asset. The Cost Approach considers a comprehensive definition of cost, which may include time, materials, and opportunity cost of creating the asset.

Valuation Approaches Chosen

Given the nature of the Subject Entity's operations and its expected earnings, mba concluded that the use of the Income Approach would be appropriate for this Valuation Engagement. Like many businesses, there is a strong correlation between the Subject Entity's value and its ability to generate future operating cash flows or earnings. It is, therefore, appropriate to use the Income Approach for this Valuation Engagement.

Two methods commonly used in the Income Approach are the Discounted Cash Flow Method and the Capitalization of Cash Flow Method. In the Discounted Cash Flow Method, future benefit streams are forecasted for a discrete period of time and then discounted back to their present value using a Discount Rate commensurate with the deemed level of risk. The Discounted Cash Flow Method is a multi-period model that also factors in the present value of a terminal value.

In the Capitalization of Cash Flow Method, the expected benefits for one time period are capitalized into perpetuity using a Capitalization Rate that is equal to the Discount Rate minus the expected long-term sustainable growth rate. The Capitalization of Cash Flow Method is predicated on stable earnings and constant growth and is most appropriate when it appears that a company's current and historical earnings can be considered indicative of its future operating results. Put another way, it is inherent in this method that past or current performance is a reasonable predictor of future performance.

Discount Rates and Capitalization Rates vary among particular types of businesses and from one period of time to another due to a variety of risk factors. Expressed as a percentage, the more speculative a company's income stream is, the higher the Discount Rate and Capitalization Rate. Conversely, the more stable the income stream is, the lower the Discount Rate and Capitalization Rate.

To the extent that the Subject Entity's current and historical results would be considered reasonable proxies for future benefits streams, the Capitalization of Cash Flow Method could be a suitable method under the Income Approach. It is mba's opinion, however, that the Discounted Cash Flow Method is more suitable for purposes of this Valuation Engagement.

VIII. VALUATION APPROACHES & METHODS USED

Income Approach - Discounted Cash Flow Method

Application of the Discounted Cash Flow Method requires the preparation of a reliable forecast of the expected future financial performance of the Subject Entity. In this context, the Subject Entity's future financial performance is a reflection of its future revenues, operating expenses, taxes, working capital requirements, and capital expenditures over some discrete period of time.

Forecasted cash flow must then be discounted to a present value using a Discount Rate that appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows. Finally, an assumption must be made regarding the sustainable long-term rate of earnings growth at the end of the forecast period, and the terminal or residual value of the remaining cash flows must be discounted back to a present value. The sum of the present values of the forecasted cash flows and the terminal value equals the value of the enterprise.

Cash Flow Forecast

For the discounted cash flow analysis, mba utilized forward-looking financial statements supplied by the Subject Entity's management team. In conjunction with the Client-supplied financial statements, mba ran an independent forecast of the Client's operations based on the Subject Entity's historical membership, operating, and capacity data as well as mba's in-house knowledge of current and projected industry conditions.

After review of the forecasted operational metrics and corresponding cash flows provided by the Client, and a comparison with mba's internal forecast, mba found the financial projections forecasted by the Client to be reasonable and achievable. Assumptions in the mba model are outlined below.

Cash Flow Forecast Assumptions

The cash flows were projected from the Valuation Date through December 2027. The following is a list of cash flow assumptions applied to mba's independent forecast referenced for this valuation:

- **REVENUE –** Using 2019–2022 data as reference, mba developed revenue projections for the five-year rolling forecast period. The respective revenue projections are the result of a combination of traffic growth (RPK), membership growth, and partnership growth rates. In developing RPK and growth-rate projections, mba relied on historical data, mba industry knowledge and growth projections from Boeing's Current Market Outlook 2022–2041 and retail & e-commerce data in the region. mba was provided estimates by the Client for the revenue expected by each type of sale. Based on discussions with the Client, these benefits have been incorporated by mba into the annual revenue projections. mba did not have access to the contracts associated with these benefits and has not audited these estimates but believes them to be within reason based on discussions and preliminary results.

- **Redemption Rate / Breakage –** mba assumed the redemption rate to be in line with the Subject Entity's growth and historical experience.
- **Operating Expenses –** mba examined historical financial statements for operating expenses and assumed the Subject Entity's forecast to be reasonable considering its historical expenses and expected economic impacts. mba assumed that the amount **a**ttributed to the cost to TudoAzul for tickets redeemed by program members to fly on Azul remains consistent with Azul's current methodology.
- **Depreciation & Amortization –** mba examined historical financial statements and assumed the Subject Entity's forecast to be reasonable considering its historical EBITDA margins and subsequent expected growth.
- **Incremental Working Capital –** Incremental working capital requirements were assumed in line with the Subject Entity's expectations and historical performance. The Subject Entity's working capital turnover rates are within the range of comparable companies.
- **Incremental Deferred Revenue –** mba examined the historical relationship between gross revenues and deferred revenues in order to determine future deferred revenues and the year-on-year change in those values.
- **Tax Rate –** The effective tax rate of 34.0% was applied to the forecast and to the WACC calculation used to discount future cash flows. The Company has tax losses that are available for offset against future taxable profits, these were applied to the forecast.
- **Terminal Growth Rate** – At the conclusion of the forecast period, mba applied a terminal growth model based on the forecasted 2027 cash flows. mba assumed a terminal growth rate of 4.6% to be appropriate considering the industry, business model, and regional consumer behaviors.

Discount Rate Estimation

The Discount Rate applied to the forecasted benefit stream and terminal value must adequately reflect the nature of the applicable investment and the risk associated with the underlying cash flows. Stated another way, the Discount Rate represents the total rate of return that an investor would demand given the level of risk associated with an investment. For purposes of an enterprise valuation, mba derived the Subject Entity's Weighted Average Cost of Capital (WACC). This reflects the return required by all providers of capital weighted by their relative contribution to total capital.

The after-tax Cost of Equity represents the return required by equity investors. mba considered two common methods of developing an appropriate Cost of Equity: the Buildup Method and the modified Capital Asset Pricing Model (CAPM). The Buildup Method starts with a risk-free rate of return and adds to it a number of identifiable risk factors. The modified CAPM is similar to the Buildup Method except that it requires the use of industry-specific beta information derived from similar public companies. For purposes of this Valuation Engagement, mba determined that the Buildup Method was appropriate for determining the Subject Entity's Cost of Equity.

The formula for the Buildup Method is $k_e = r_f + r_m + r_i + r_s + r_c$. The following definitions apply:

Cost of Equity Capital (k_e) - The return required by stockholders.

Risk-Free Rate (r_f) - The return on government securities with a term similar to that of the investment being valued.

Equity Risk Premium (r_m) - The additional return an investor expects in order to compensate for the additional risk associated with investing in equity securities instead of investing in a riskless asset; a measure of systematic risk.

Industry Risk Premium (r_i) - Unsystematic risk attributable to the industry in which the Subject Entity operates.

Size Premium (r_s) - Unsystematic Risk attributable to the widely acknowledged fact that smaller stocks, on average, are riskier than larger stocks and therefore require a greater return.

Specific Risk (r_c) – Unsystematic Risk attributable to a subject asset.

mba estimated the Subject Entity's Cost of Equity through the build-up method in the table below:

COST OF EQUITY

RISK-FREE RATE	3.50%
EQUITY RISK PREMIUM	6.00%
INDUSTRY RISK PREMIUM	3.42%
SIZE PREMIUM	4.66%
SPECIFIC RISK	1.00%
ESTIMATED COST OF EQUITY CAPITAL (AFTER-TAX)	**18.58%**

The after-tax Cost of Debt represents the return required by debt investors on long-term interest-bearing debt.

The formula for the after-tax rate of return is $k_d = k \times (1-t)$. The following definitions apply:

Cost of Debt (k_d) - The return required by debt investors.

Pre-tax Cost of Debt Capital (k) - Pre-tax cost of debt capital based on the yield of corporate bonds with a rating similar to that of the investment being valued.

Effective Income Tax Rate (t) - The percent of income that a corporation pays in taxes.

mba estimated the Subject Entity's Cost of Debt in the table below:

COST OF DEBT

PRE-TAX COST OF DEBT CAPITAL	13.41%
EFFECTIVE INCOME TAX RATE	34.00%
ESTIMATED COST OF DEBT CAPITAL (AFTER-TAX)	**8.85%**

The risk factors used in the Buildup Method are individually computed and are intended to be independently additive and non-overlapping in their measurement of risk. The selected risk-free rate of return is the KROLL Normalized Risk-Free Rate. mba did not compute the risk premium factors and instead relied on the *KROLL Cost of Capital Navigator* in determining the Equity Risk Premium, Size Premium, and Industry Risk Premium. For the Industry Risk premium, mba observed the measures for GICS 255020 – "Internet & Direct Marketing Retail." This is the GICS classification for marketing businesses that mba views as a reasonable proxy for a coalition loyalty program such as TudoAzul. Specific risk is a matter of professional judgment and deals with the risk of a particular asset or company. mba believes 1.0% is appropriate for a company operating in Brazil at this time. The cost of debt for a company with ratings similar to the Subject Entity at the time of this valuation is estimated at 8.85%. Using the industry-observed target capital structure of 35.0% debt to 65.0% equity, mba calculated the WACC to be 15.2%.

IX. VALUATION ADJUSTMENTS

When an interest lacks certain elements of control and marketability, two discounts are generally appropriate. They are typically referred to as the discount for Lack of Control, also known as the minority interest discount, and the discount for Lack of Marketability. Both Discounts for Lack of Control and Lack of Marketability in the valuation of closely held businesses have also been recognized by the various courts that have considered these issues.[25] A range of accepted discounts from court cases may not be meaningful in determining the appropriate discount for a particular valuation subject since those decisions rely heavily on the particular facts and circumstances specific to the respective cases but are useful in observing as a measure of reasonability.

Discount for Lack of Control

Discount for Lack of Control, also referred to as minority interest discount, is "an amount or percentage deducted from the pro rata share of value of 100.0% of an equity interest in a business to reflect the absence of some or all of the powers of control." The value of control depends on a shareholder's ability to influence what are referred to as "control prerogatives." The more common control prerogatives are:[26]

- Elect directors and appoint management;
- Determine management compensation and perquisites;
- Acquire or liquidate assets;
- Liquidate, dissolve, or recapitalize the company;
- Declare and pay dividends;
- Initiate a public offering of the company; and
- Change business plans/models.

The following factors can affect the amount of control, or lack thereof, and should be considered when determining the appropriate minority interest discount:

- Voting vs. non-voting interests;
- Cumulative vs. non-cumulative voting interests;
- Outside contractual restrictions;
- Federal and state regulations; and
- Distribution of ownership.

[25] See, for example, James R. Hitchner. *Financial Valuation Applications and Models*. Hoboken, NJ: John Wiley & Sons, Inc., 2003, at pp. 540-576.
[26] See, for example, Shannon P. Pratt. Valuing a Business: The Analysis and Appraisal of Closely Held Companies, 5th Edition. New York, NY: McGraw-Hill, 2008, at p. 385.

Because the purchaser of a non-controlling interest in a company would have little rational expectation of being able to influence company policy or company actions via voting rights, the value of a minority interest is subject to discount to reflect this Lack of Control and influence.

Studies of actual transactions indicate that companies pay a control premium when purchasing a controlling interest. The studies compare the actual price paid for a controlling interest to the price at which minority shares were previously traded. An implied minority discount is derived by formula from the median control premiums. It should be noted that these premiums are based on a company's stock price shortly before the announcement date of a merger transaction. Because stock prices tend to rise shortly before such transactions, the premiums may be understated. Also, the premiums documented in these studies are total acquisition premiums and, therefore, may reflect matters other than just control. For example, a company may be willing to pay a premium when acquiring another company for synergistic reasons.

Discount for Lack of Marketability

Shares of stock in a privately held company generally trade at a very significant discount to shares of stock in an otherwise equivalent publicly held company that are freely traded on organized exchanges. This is due to the relative ease and speed with which public company shares can be liquidated. Minority stockholders are at an even bigger disadvantage than majority stockholders when it comes to liquidity. In comparison to publicly traded securities, private company shares typically have attributes that make liquidation a slow and sometimes onerous process. Such attributes may include:[27]

- Existence of "put" rights;
- Historical distribution levels and the likelihood of future distributions;
- Pool of potential buyers;
- Prospects for a liquidation event (e.g., an acquisition or a public offering);
- Restrictive transfer provisions;
- Size and financial strength of the enterprise;
- Size of the ownership interest in question; and
- Information access and reliability.

While often difficult to quantify with precision, the concept of discounts for Lack of Marketability is widely accepted. If an investment cannot be readily sold, the absence of liquidity tends to adversely affect its value.

[27] See, for example, Shannon P. Pratt. *Valuing a Business: The Analysis and Appraisal of Closely Held Companies, 5th Edition*. New York, NY: McGraw-Hill, 2008, at pp. 446-448 and Shannon P. Pratt. *Business Valuation Discounts and Premiums*. New York, NY: John Wiley & Sons, Inc., 2001, at p. 79 and pp. 152-164.

The appropriate size of a discount for Lack of Marketability generally varies from one investment to another. To determine the discount applicable to a specific valuation subject, all relevant attributes must be examined. Data from various restricted stock studies and initial public offering studies, as described below, can provide insight in determining the appropriate Lack of Marketability discount. These studies are commonly referred to by business valuation analysts and cited in business valuation texts.

The restricted stock studies focus on comparing the prices of public companies' restricted stocks to their unrestricted equivalents. Restricted stock is unregistered stock subject to SEC Rule 144 and differs from other public company stocks only in that it typically is restricted from trading on the open market for a period of time. Since the shares studied are identical in all other respects, study results are thought to isolate the disadvantage associated with Lack of Marketability. The discount levels documented by these restricted stock studies range from 13.0% to 45.0%.

It should be noted that the SEC's 1997 reduction in the restricted stock holding period from two years to one may help explain lower documented discount levels in post-1996 study results. It should also be noted that various studies have documented the inverse relationship between discount size and the size (e.g., revenues, earnings, market capitalization) of study subjects.[28]

Another group of marketability studies focuses on comparing transactions in private company stocks with subsequent IPOs of the same stocks, the latter typically at a higher price. The price differential is, at least in part, attributable to the Lack of Marketability of such stocks prior to the public offering and tends to be smaller for transactions close to the IPO date and larger for transactions further away from the IPO date. The distinguishing factor between these pre-IPO studies and the restricted stock studies is that there exists no public market for a pre-IPO stock, whereas for restricted stocks a public market does exist, even if it is not immediately accessible. Consequently, the discount levels reported by the pre-IPO studies are generally higher than those of the restricted stock studies. The discount levels documented by these studies, range from about 35.0% to 65.0%.

Consideration of (but not reliance on) the restricted stock studies and the pre-IPO studies, however, is a necessary step in the business valuation process. Based on the foregoing, there is substantial evidence that the Lack of Marketability can severely reduce the value of a closely held business interest.

Concluded Discounts

The concepts of marketability discounts and control premiums, thus implied discounts for Lack of Control, are theoretically valid. Depending on the facts and circumstances germane to a particular Valuation Engagement and the applicable standard of value, discounts for Lack of Control, Lack of Marketability, or both may be appropriate.

[28] James R. Hitchner. *Financial Valuation Applications and Models*. Hoboken, NJ: John Wiley & Sons, Inc., 2003, p. 310.

Premium/(Discount) for Lack of Control

The Subject Entity represents a controlling interest[29] given that it is fully owned by the Client. As a result, the value of the Subject Entity must be determined on a controlling basis. The benefit streams that were utilized in the application of the Discounted Cash Flow Method reflect adjustments that a controlling owner might make. The underlying economic income reflects the incorporation of the growth plan as laid out by management and provides distributions to equity holders in a positive income year. As such, the application of the Discounted Cash Flow method produces a controlling value.

Discount for Lack of Marketability

With respect to marketability, the Subject Entity is a private business unit of the Company. An ownership interest that is not readily marketable generally trades at a price lower than a similar interest that is readily marketable; there exists no established market in which to sell the Company's interest in the Subject Entity. The amount of the discount for Lack of Marketability depends on the degree of liquidity based on the facts and circumstances.

mba considered the following factors in reaching a judgment on the discount for Lack of Marketability for the Subject Interest:

- LEVEL OF HISTORICAL AND PROSPECTIVE CASH DISTRIBUTIONS – The Subject Entity has made significant distributions. This factor supports a lower discount for Lack of Marketability.
- EXISTENCE OF POTENTIAL BUYERS – The pool of potential buyers for a privately held company is limited. While there have been FFP transactions that have closed in recent history, which indicate there are available suitors for a potential sale, a buyer would consider the risk in investing in a Subject Interest so reliant on another company. This factor supports a slightly higher discount for Lack of Marketability.
- PROSPECTS FOR IPO OR SALE – The Subject Entity has not historically expressed interest in an IPO. This factor is neutral with respect to Lack of Marketability.
- CONTRACTUAL RESTRICTIONS ON TRANSFER – As of the Valuation Date, there are no known restrictions on the transfer of the Subject Entity. This supports a lower discount for Lack of Marketability.
- SIZE OF THE BLOCK – The value of the Subject Entity does represent a significant dollar amount. This supports a higher discount for Lack of Marketability.
- SIZE AND FINANCIAL STRENGTH OF SUBJECT ENTITY – The Subject Entity generates a significant amount of cash. This supports a slightly lower discount for Lack of Marketability.

[29] Greater than 50.0% interest.

- **ACCESS TO INFORMATION** – The Subject Entity's shares are not registered with the Securities and Exchange Commission (SEC) and the Subject Entity is not required to file quarterly or annual financial statements. A private investor would have to expend additional resources in a due diligence effort to ascertain the value of the Subject Entity and the value of the Subject Interest. This supports a slightly higher discount for Lack of Marketability.

Based on the consideration of the relevant facts and circumstances, it is mba's opinion that the value of equity determined using the Discounted Cash Flow Method resulted in a marketable value. As such, for the Subject Interest a 10.0% Discount for Lack of Marketability was applied to the Discounted Cash Flow Method.

X. CONCLUSION OF VALUE

The following summarizes mba's Conclusion of Value of the Subject Entity as of the Valuation Date.

(R$ M)	CALCULATION	DLOM[30]	DLOC[31]	CONCLUSION OF VALUE
TUDOAZUL ENTERPRISE VALUE, INCLUDING IP	R$17,976.0	-10%	0%	R$16,178.4
TUDOAZUL IP				R$2,251.5

It is important to note that this Conclusion of Value is for the Enterprise Value of the Subject Entity.

This Conclusion of Value is subject to the Representation of the Valuation Analyst and the Statement of Assumptions & Limiting Conditions found in this Report. mba has no obligation to update this report or the Conclusion of Value for information that comes to attention after the Report Date.

[30] DLOM: Discount for the Lack of Marketability.
[31] DLOC: Discount for the Lack of Control.

XI. RISK FACTORS

The Conclusion of Value was determined assuming key factors affecting the value, including the economic, competitive, and financing environments. In the event any of these key factors affecting materially diverge in the future from mba's assumptions, mba's valuation results would be expected to change accordingly. Several of the major risks associated with these valuations are outlined below.

Regulatory Risks

mba's Conclusion of Value is based on the regulatory environment remaining in its currently expected state. In the event regulatory changes are adjusted, the Conclusion of Value expressed in this Valuation Report could change significantly as market share and market size change within the Subject Entity's operations.

Economic Risks

mba's valuation is based on current economic conditions regarding global and regional economies. As stated earlier in the report, demand for air transport services is highly cyclical and is strongly correlated with economic trends. Therefore, a downturn in the global economy could have a negative impact on demand for passenger travel. Likewise, increased prosperity would have a positive effect on personal incomes, causing a rise in passenger traffic. As the air transport industry experiences these variances, the value of the Subject Entity could vary accordingly.

Competitive Risks

While the Subject Entity is in a leading position in its core markets, potential members have many frequent flyer program alternatives, they choose among alternatives based on factors such as:

- Accrual and redemption rate;
- Airline partners;
- Co-branding partners;
- Benefits; and
- Reputation.

The continued attractiveness of the Subject Entity's program will depend in large part on its ability to remain affiliated with existing co-branding partners or add new partners that are desirable to members and to offer rewards that are both attainable and attractive to members.

Revenue Risks

mba's valuation is based on the assumption that the Subject Entity will be able to maintain and grow its gross billings. If the Subject Entity does not maintain or attain these levels, it could impact mba's valuation.

Reputation Risk

The Subject Entity relies heavily on its long-term reputation, tied to the brand name, for revenue. The profitability of the Subject Entity, and therefore the valuation, could be adversely impacted due to damage to the brand's reputation.

Air Partners Risk

The Subject Entity relies heavily on its partnerships with Azul S.A. and other partners for redemption of points to members. The profitability of the Subject Entity, and therefore the valuation, could be adversely impacted if any partner is unable to fulfill their obligations.

Foreign Exchange Risks

The Company has a small number of operations denominated in foreign currency, mainly represented by ticket purchases with peer airlines, trade receivables from peer airlines, and cash equivalents. A strengthening of the value of foreign currencies relative to the Reais could result in a decrease in operating income. No assumptions regarding hedging strategies affecting this risk were incorporated.

Long-Term Contract Risks

mba's valuation is based on the assumption that the Subject Entity's agreements with Azul will carry out through the negotiated term period. Variation in future contract terms negotiated by the Subject Entity may result in a positive or negative impact on mba's valuation.

Redemption Rates of Points Risks

mba's valuation is based on the assumption that the Subject Entity is able to maintain its current redemption rate. Variation in future redemption rates of points achieved by the Subject Entity may result in a positive or negative impact on mba's valuation.

Cyber-Security Risks

The Subject Entity's value is tied to its use of technology as a value driver. Strategic initiatives, such as outsourcing, use of third-party vendors, cloud migration, mobile technologies, and remote access, are used to drive growth and improve efficiency but also increase cyber risk exposure. If the Subject Entity is exposed to a cyber attack or data breach, there is a risk of damage and destruction of data or monetary loss, including theft of intellectual property, productivity losses, and reputational harm.

Other Risks

There are several other risks to the valuation expressed herein, including but not limited to the threat of terrorist attacks, natural disasters, and pandemic illness, such as the outbreak of Coronavirus, the H1N1 virus (swine flu), SARS, or bird flu.

XII. STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

1. The Conclusion of Value arrived at herein is valid only for the stated purpose as of the Valuation Date.

2. Financial statements and other related information provided by the Subject Entity or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. mba has not audited, reviewed, or compiled the financial information provided to us and, accordingly, expresses no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources mba believes to be reliable. However, mba makes no representation as to the accuracy or completeness of such information and has performed no procedures to corroborate the information.

4. mba does not provide assurance on the achievability of the results forecasted by the Subject Entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

5. The Conclusion of Value arrived at herein is based on the assumption that the current level of management expertise and effectiveness will continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. The Valuation Report and its Conclusion of Value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The Conclusion of Value represents the considered opinion of mba, based on information furnished to mba by the Subject Entity and other sources.

7. The Valuation Report and its Conclusion of Value will not be disseminated by the Subject Entity or by any of its agents to other firms considered to be competitors to mba in the airline route valuation field without the prior express written approval of mba.

8. Future services regarding the subject matter of this Valuation Report, including but not limited to testimony or attendance in court, shall not be required of mba unless previous arrangements have been made in writing.

9. mba has not determined independently whether the Subject Entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. mba's valuation takes no such liabilities into account, except as they have been reported to mba by the Subject Entity or by an environmental consultant working for the Subject Entity, and then only to the extent that the liability was reported to mba in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to mba, mba has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. No change of any item in this Valuation Report shall be made by anyone other than mba, and mba shall have no responsibility for any such unauthorized change.

11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the Subject Entity due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

12. mba has corresponded with the current management of the Subject Entity concerning the past, present, and prospective operating results of the Subject Entity.

13. mba has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

XIII.REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the Valuation Date, to the best of mba's knowledge and belief, that:

- The analyses, opinions, and Conclusion of Value included in the Valuation Report are subject to the specified Assumptions and Limiting Conditions and are the personal analyses, opinions, and Conclusion of Value of the valuation analyst.
- The valuation analyst is unrelated to the Subject Entity and has no current or expected interest in the Subject Entity or its assets.
- The Valuation Report was prepared for the purpose stated therein. The Valuation Report is not intended to be and should not be used for any other purpose.
- The valuation analyst has no obligation to update the Valuation Report or the Conclusion of Value for information that comes to his or her attention after the Valuation Date.
- The valuation analyst's compensation for the Valuation Engagement is in no way contingent on the outcome of the valuation.
- This report represents mba's opinion as to the value of the Subject Entity and is intended to be advisory only and is not given for or as an inducement for any specific financial transaction. Therefore, mba assumes no financial responsibility or legal liability for decisions or actions taken or not taken by the Subject Entity or any other party with regard to the Subject Entity. mba accepts no responsibility for damages, if any, claimed by a third party as a result of decisions or actions taken based on the information contained in this report. By accepting this report, all parties agree mba shall bear no such responsibility or legal liability. mba consents to the use of this appraisal report as required by the terms in the indenture.

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May 18, 2023

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ANNEX B: APPRAISAL REPORT OF THE AZUL VIAGENS BUSINESS

Valuation of:
Azul Viagens

Client:
Azul S.A.

Date:
April 27, 2023

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I. VALUATION SUMMARY

SUBJECT ENTITY	Azul Viagens Business
NUMBER OF EMPLOYEES	Approximately 13,000 (Azul S.A.)
PURPOSE OF VALUATION	Financing or Refinancing Transactions
STANDARD OF VALUE	Fair Market Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	February 17, 2023
VALUATION APPROACHES	Income Approach
VALUATION METHODS	Discounted Cash Flow
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	R$2,378,266,000

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation (mba) was engaged by Azul S.A. (herein referred to as Azul, the "Client," or the "Company") to estimate the value of the of the Company's travel business, Azul Viagens ("the "Subject Entity") as of February 17, 2023 (the "Valuation Date"). mba understands the Conclusion of Value will be for the Subject Entity's Enterprise Value.

It is understood by mba that the Conclusion of Value will be used by the Client in connection with potential financing or refinancing transactions. mba understands that this report may be provided to agents, trustees, lenders, noteholders, and other parties in connection with any such transaction. This Valuation Report was prepared solely for the purpose described in this paragraph and, accordingly, should not be used for any other purpose. This Report should not be distributed to any party other than the Client or the agents, trustees, lenders, noteholders, and other parties in connection with any such transaction without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Entity as of the Valuation Date. For the purpose of this valuation, historical financials and other information covering the results of the Subject Entity's operations were used, including forecasted financial performance and estimates of membership growth provided by the Client. It is mba's understanding that this information represents the most complete and reliable financial information available as of the date of this report. In this valuation, mba considered only circumstances that existed as of, and events that occurred up to, the Valuation Date.

Standard & Premise of Value

Two important concepts mba considered before beginning this engagement were the applicable Standard of Value and Premise of Value. Standard of Value deals with the definition of value or the type of value being proffered. Numerous Standards of Value exist and may be applicable for a particular valuation, depending on the purpose of that engagement. For this valuation, the applicable Standard of Value is Fair Market Value.

The IRS defines Fair Market Value as:

> *The price at which property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.*

Premise of Value deals with the "how" in a transaction. The valuation premise may be either in-use or in-exchange, with the determining factor being the highest and best use as considered from a market participant's perspective. In this case, the Conclusion of Value is based on an in-use valuation premise of Going Concern, which assumes that the Subject Entity will continue to operate into the future.

Scope of the Valuation Engagement

In *Revenue Ruling 59-60*, the IRS set forth the following factors to consider in the valuation of a closely held business. mba has considered each of these factors in this valuation.

- The nature of the business and the history of the enterprise from its inception;
- The economic outlook in general and the condition and outlook of the specific industry in particular;
- The financial condition of the business;
- The earning capacity of the business;
- The dividend-paying capacity; and
- Whether or not the Subject Entity has goodwill or other intangible value.

mba's scope of work included but was not necessarily limited to the following:

- Discussions with management concerning the assets, financial and operating history, and forecasted future operations of the Subject Entity;
- Analysis of historical financial statements and other financial and operational data concerning the Subject Entity;
- Research concerning the Subject Entity, its financial and operating history, the nature of its products, services, and technologies, and its competitive position in the marketplace;
- Research and analysis concerning comparable public companies and transactions involving comparable companies;
- Research and analysis on the industry segment in which the Subject Entity operates;
- Research and analysis on current economic conditions and the outlook for the Latin American and global economies; and
- Analysis and estimation of the value of the Subject Entity as of the Valuation Date.

Sources of Information

The principal sources of information utilized in conducting this analysis were as follows:

- Interviews with Subject Entity;
- Internal financial statements for the years ending December 31, 2019, through 2022;
- Forecasted financial statements prepared by the Subject Entity;
- OAG Schedules Data;
- Subject Entity Corporate Presentation;
- Subject Entity's website and press releases;
- Statistics, studies, forecasts, and articles regarding the industry in which the Subject Entity operates and the economic environment;
- mba's internal data and values for the assets held by the Subject Entity; and
- Other industry news sources and internet research.

Financial and other pertinent information provided to mba by the Subject Entity has been accepted without further verification. mba did not audit, review, compile, or attest under the AICPA Statements on Standards for Attestation Engagements (SSAEs) to any financial information derived from those sources, and mba, therefore, assumes no responsibility for any such financial information.

Refer to Section XII for a complete list of Assumptions & Limiting Conditions applicable to this Valuation Report. Certain specific assumptions and limiting conditions may be cited in the body of this report.

III. SUBJECT ENTITY OVERVIEW

Nature, Background & History

Azul Viagens, founded in 2010, is Azul's travel business and tour operator. With a strong presence in Brazil, the Subject Entity offers a wide variety of tourist itineraries and tour packages, utilizing the wide reach of Azul's air network. There are more than 100 domestic and international destinations. In 2022, Azul Viagens transported 2.6 million passengers. Currently, Azul Viagens has more than 50 branded stores throughout Brazil and abroad. There are approximately 4,000 travel agencies that are multi branded points of sale. Through Azul Viagens, Azul is able to offer its customers the best travel experience with benefits and services throughout the complete journey.

Following Azul's assumptions of low-cost and high-quality services, the operator offers very attractive prices and operates in the main tourist destinations in Brazil and the world. Azul Viagens offers tours packages, accommodations, rental cars, tickets, cruises, travel insurance, and any other services related to customers' travel journeys and has the exclusive offer of national packages for the main domestic and international destinations. The operator is also a select partner of Disney and has strategic partnerships with Universal, SeaWorld, and other parks in Florida.

Azul Viagens is an important driver of margin expansion. The Subject Entity is able to leverage the uniqueness of its network and the flexibility of its fleet to offer product differentiation at a reasonable cost to the customer. During weekends, when utilization is normally low for airlines, Azul dedicates a percentage of its capacity to fly exclusive nonstop leisure routes. The Subject Entity generates significant cash flow through tour package sales, product differentiation, and strategic partnerships.

Strategy

Azul Viagens is a tour operator covering the entire holiday journey, serving millions of customers and offering packages with hotels and unique experiences, as well as a digital platform designed to integrate all parts of Azul Viagen's strong portfolio.

Azul Viagens distributes and fulfills holidays to its large customer base interested in exploring Brazil. The Subject Entity is able to differentiate itself from the competition (such as tour operators and OTAs) based on exclusive and high-quality products, services, and convenience. By covering the whole customer journey, Azul Viagens delivers a strong blend of digital and human interaction. Growth will be driven by a wider product range, reflecting consumer demand for more choice and flexibility, and increasing the appeal across different customer segments.

The distribution strategy for Azul Viagens is supported by leveraging Azul's aircraft during lower demand times, typically Saturday and Sunday. This has the compound effect of increasing utilization of Azul's assets and creating an affordable seat offer / unique product for Azul Viagens.

Capture Customers Through Tapping Demand in Unserved Markets

Azul Viagens is poised to capture new growth opportunities by building on its strong foundation of providing travel packages with exclusive offers within Brazil in untapped destinations, flying nonstop routes. Currently, Azul S.A. provides the Subject Entity with dedicated Azul Viagens flights. Within these flights, 80.0% of the markets they serve through the Subject Entity were never served before. Thus, the Subject Entity is providing the opportunity to serve over 2,000 dedicated flights in the Brazilian domestic market that were previously untapped markets. The Subject Entity provides the opportunity to package these flights with a fully encompassing travel experience. Expanding into untapped markets will be a salient growth opportunity for the Subject Entity.

Capitalizing Leisure Demand Trends

With the Subject Entity's total bookings growing over 80.0% from 2019–2022, this growth was supported in part by the increase in demand for leisure activities within the Brazilian domestic market. Demand for leisure activities has grown significantly since 2019 due to post-pandemic factors such as flexible work arrangements and demand for travel/tourism. Leisure domestic demand in Brazil has been above 2019 demand levels for 16 consecutive months from September 2021 to January 2023, reaching a peak in May 2022 at approximately 180.0% above 2019 levels. This shows there has been a rise and holding in demand for leisure activities in the Brazilian domestic market. Azul Viagens providing one of the most diversified leisure packages in the Brazilian domestic market should be able to capture this demand in the form of booking growth as they provide one of the few end-to-end vacation packages in the market.

Maximize Customer Engagement

The Subject Entity offers a diversified way of reaching customers through various points of sale. Azul Viagens offers various means by which to book their services. The Subject Entity has developed 50 branded stores for customers to purchase a travel package in a brick-and-mortar setting. Additionally, the Subject Entity also partners with over 4,000 travel agencies that provide Azul Viagens as a booking package to customers. Agency sales are the largest point of sale for the Subject Entity. Azul Viagens also utilizes on-site vacation sales as well as call centers as a means for customers to interact with the product offerings. Another factor of differentiation is the synergy with TudoAzul, Azul's loyalty program. Customers earn points (miles) when they purchase a package/product/service through Azul Viagens. In addition to that, customers can use points to book and pay for their travel. By offering diversified points of sales, the Subject Entity gains access to differentiated customer segments.

Competition

Azul Viagens has a unique business model without a true peer competitor in its region. Fellow tour operators do not have the same leveraging opportunity with an airline partner. Additionally, other tour operators don't operate under similar diversified point-of-sales environments that the Subject Entity does. All compete for the same tourists looking for new travel experiences in Brazil and abroad, but Azul Viagens has the wide reach of Azul's air network without third-party fees.

According to the World Travel & Tourism Council, the travel & tourism industry contributed R$558.6 billion to the Brazilian economy in 2021.

	R$ BILLION
CVC CORPOR	18.04
DECOLAR.COM (OTA)	11.85
FLYTOUR GROUP	7.73
ESFERATUR	2.4
ALATUR JTB (BUSINESS TRAVEL)	2.1
CWT (BUSINESS TRAVEL)	1.6
KONTIK (BUSINESS TRAVEL)	1.5
MARINGA TURISMO (BUSINESS TRAVEL)	1.5
CONFIANCA (CONSOLIDATOR)	1.3
VIAJANET (OTA)	1.2

Source: Panrotas Brazil Overview 2019/2020

Management Team

As of the Valuation Date, the Subject Entity had a management team in place who collectively possessed a significant amount of expertise within the aviation and travel industries and which mba believes is well qualified to achieve strategic and financial goals. A description of the management team is presented below as of the Valuation Date.

	SUBJECT ENTITY MANAGEMENT
DANIEL BICUDO ***HEAD OF AZUL VIAGENS***	Mr Daniel Bicudo is the Director responsible for Azul Airline Marketing and CX, and also for Tour Operations of Azul Viagens. Working for Azul since 2018, having previously worked for Embraer (strategic planning, FP&A and MRO) TAM airline, Multiplus loyalty program (IPO process), Avianca and Santander loyalty program. He holds a bachelor's degree in business administration from FGV in Brazil and Finance MBA at USP.
JOHN RODGERSON ***CHIEF EXECUTIVE OFFICER***	Mr. John Rodgerson is the Chief Executive Officer of Azul S.A. Mr. Rodgerson worked with David Neeleman on the original business plan for the incorporation of the Company and is one of its founding members. Mr. Rodgerson also served as Planning and Financial Analysis Officer at JetBlue Airways from 2003 to 2008. He previously worked for IBM Global Services from 2001 to 2003. He holds a bachelor's degree in Finance from Brigham Young University.
ALEXANDRE MALFITANI ***CHIEF FINANCIAL OFFICER & INVESTOR RELATIONS OFFICER***	Mr. Alexandre Malfitani is the Chief Financial Officer and Investor Relations Officer. Previously, Mr. Malfitani was the head of TudoAzul loyalty program and the Finance and Treasurer Officer. Mr. Malfitani joined the Company in 2008 as one of the airline's founding members. Before joining the Company, Mr. Malfitani worked at United Airlines in Chicago, in several leadership positions, including general treasury officer. Mr. Malfitani has an MBA with honors from the Kellogg School of Management and a bachelor's degree in engineering from Universidade de São Paulo. He is also a Chartered Financial Analyst (CFA).
ABHI SHAH ***CHIEF REVENUE OFFICER***	Mr. Abhi Shah has been the Chief Revenue Officer since September 5, 2014, and is one of the founding members of the Company. Before joining the team, he worked at JetBlue Airlines from 2004 to 2008 and at Boeing from 2000 to 2004. On October 5, 2022, Mr. Shah was elected President of Azul S.A.'s operating subsidiary, Azul Linhas Aéreas Brasileiras S.A., in addition to serving as President of the subsidiary ATS Viagens e Turismo Ltda. since July 2017. Mr. Shah holds a bachelor's degree in aerospace engineering from the University of Texas and a master's degree in Aerospace Engineering from the University of Washington.

IV. FINANCIAL STATEMENT ANALYSIS

Revenue

Azul Viagens sells its tour packages through travel agencies, call centers, Azul Viagens storefronts, and its website. The Subject Entity's revenue in 2022 was 79.3% over 2021 revenues. Azul Viagens has experienced substantial revenue growth following the economic downturn from the pandemic.

The Subject Entity's revenue comes primarily from tour and vacation packages as well as several independent products, such as hotels, cars, and travel insurance. The agency is the largest channel by far for generating revenue for Azul Viagens.

Expenses

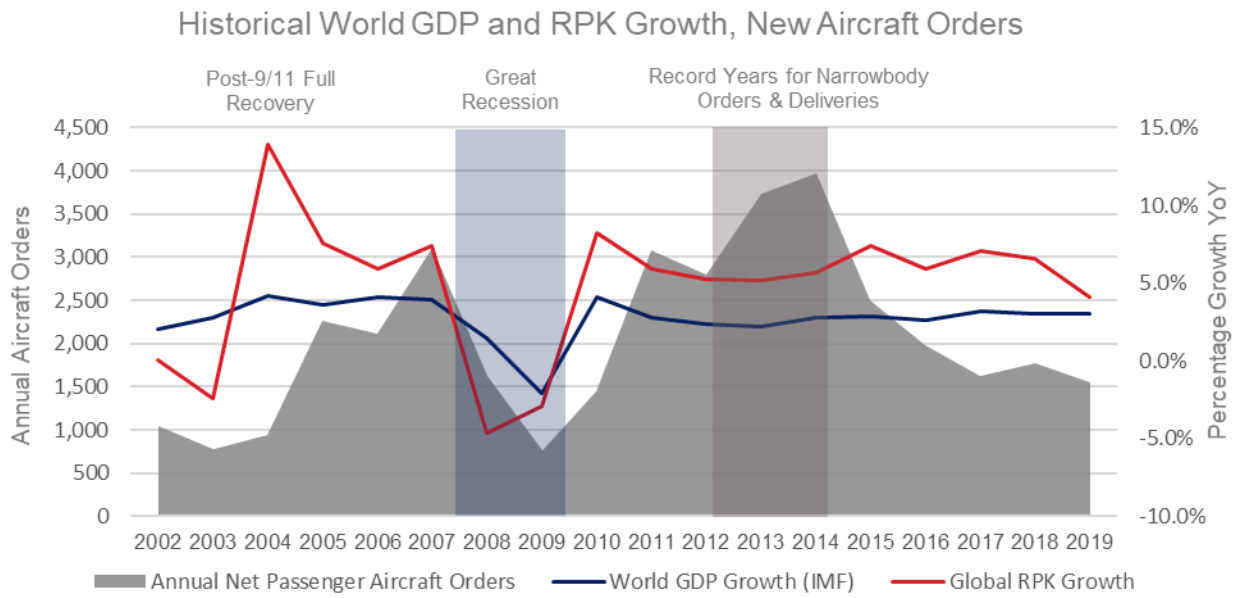
1. The primary expenses are direct costs associated with the sale of the products / services (COGS) and commissions. The largest of these expenses are hotels and airline tickets.

V. AVIATION INDUSTRY OVERVIEW

A key component of any appraisal is an understanding of the market at the time the valuation is rendered, contextualized by recent notable developments. Previous years have been filled with uncertainty, but the industry heads into 2023 with hopes that indications of a global recession, supply-chain constraints, and climbing interest and inflation rates do not hinder further recovery. However, the International Air Transport Association (IATA) has forecasted airlines' return to profitability in 2023, and positive signs are emerging even among a slowing economy. Economic outlook in Asia also remains positive, providing potential means for further recovery. In the following sections, mba defines current and recent passenger air market conditions, highlights major factors influencing values in aviation, and offers mba's view of the current market situation for the aviation industry.

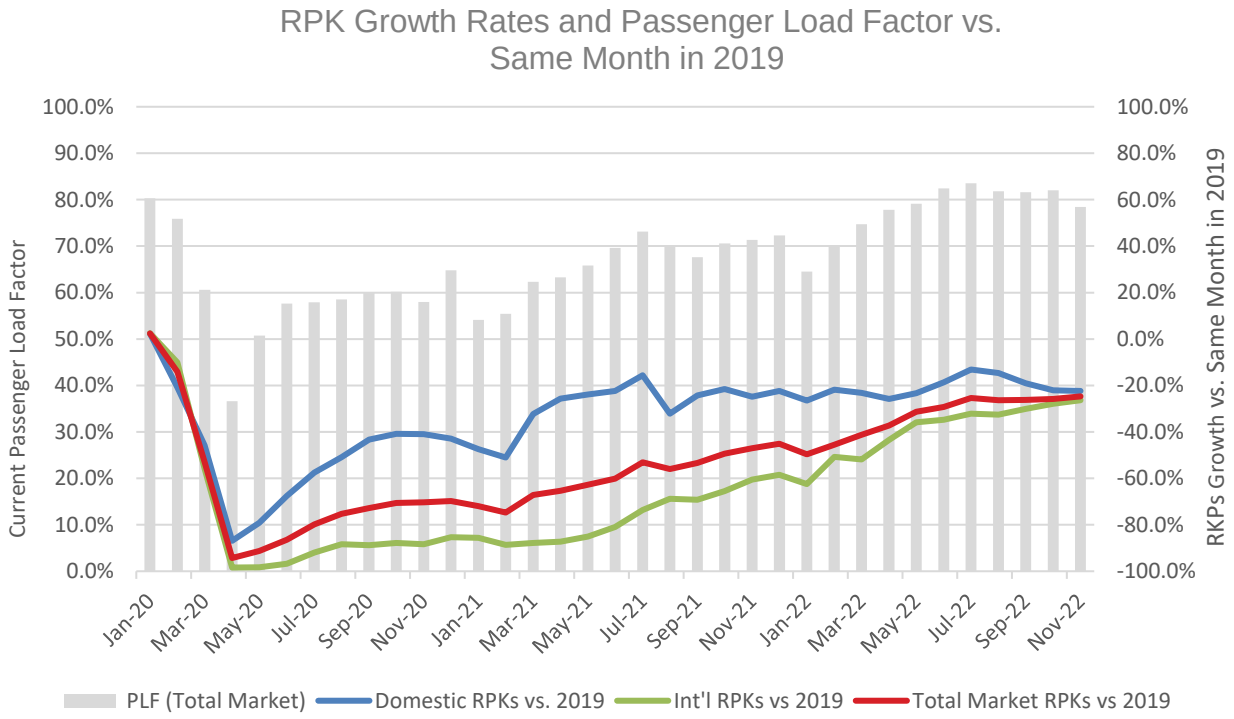
Passenger Traffic

Air traffic growth is measured by Revenue Passenger Kilometers (RPKs), the number of kilometers traveled by paying passengers, and has historically been a fundamental indicator of the health of the industry. Annual macroeconomic factors like Gross Domestic Product (GDP) growth and microeconomic metrics like the number of new aircraft orders have typically been highly correlated to RPK growth and retraction, as seen in the chart below. While 2018 marked the ninth consecutive year of above-trend growth in RPKs, all regions began retracting in 2019, with North America and Europe stagnating. GDP rates, too, had begun flattening in 2018 and shrank further in 2019, especially in advanced economies.



Sources: mba REDBOOK FLEET; Original Equipment Manufacturers (OEMs); International Monetary Fund (IMF); International Air Transport Association (IATA)

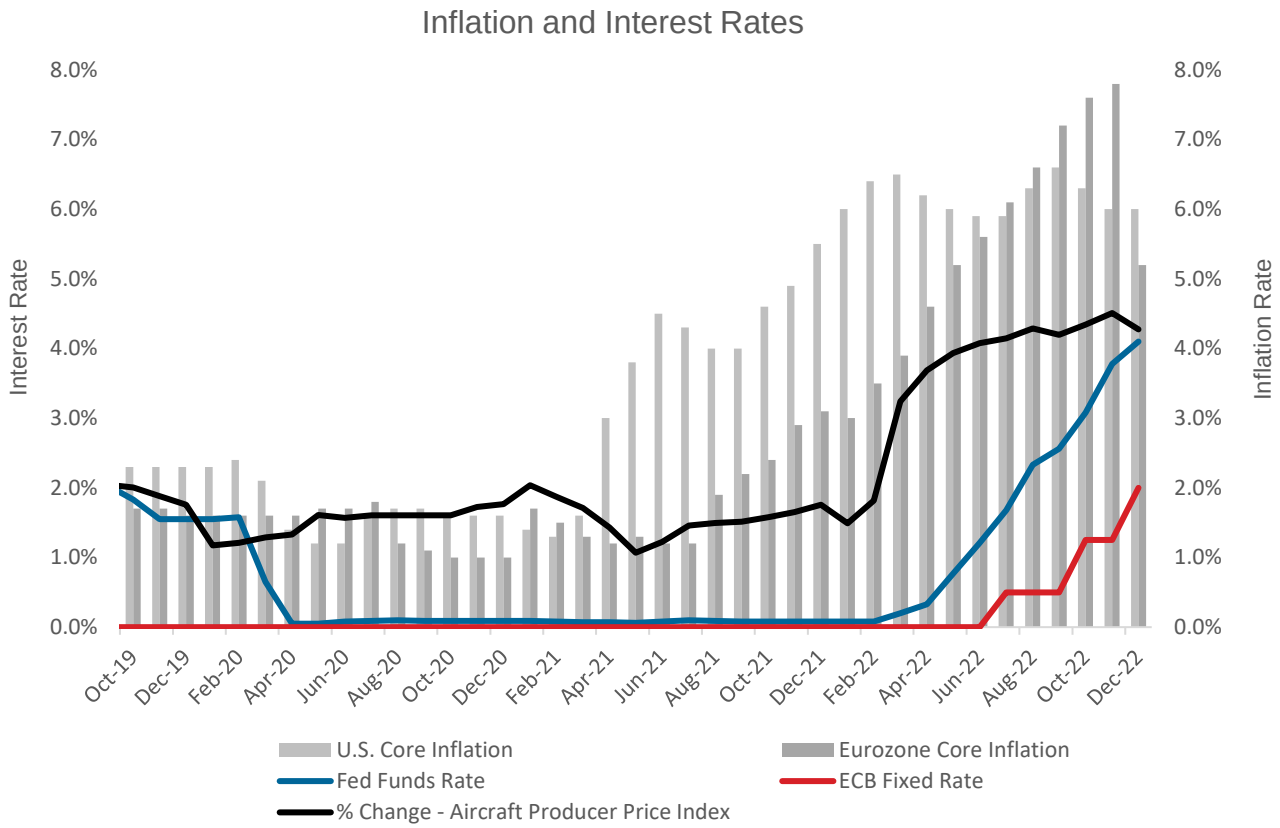
RPKs are also regularly analyzed alongside other airline monthly trailing indicators like Passenger Load Factors (PLF), a measure of how much capacity is filled, and Available Seat Miles (ASMs), which IATA defines as a measure of carrying capacity available to generate revenue. After the precipitous decline in all metrics after the onset of the COVID-19 pandemic in March and April 2020, RPKs, PLFs, and ASMs have grown in fits and starts vis-à-vis their figures in 2019. Both international and domestic RPKs still remain below pre-pandemic highs going into 2023. Even with easing travel restrictions and the reopening of routes, global RPKs are still not expected to return to 2019 levels until 2024 (IATA, Global Outlook for Air Transport).



Source: IATA

Macroeconomic Indicators

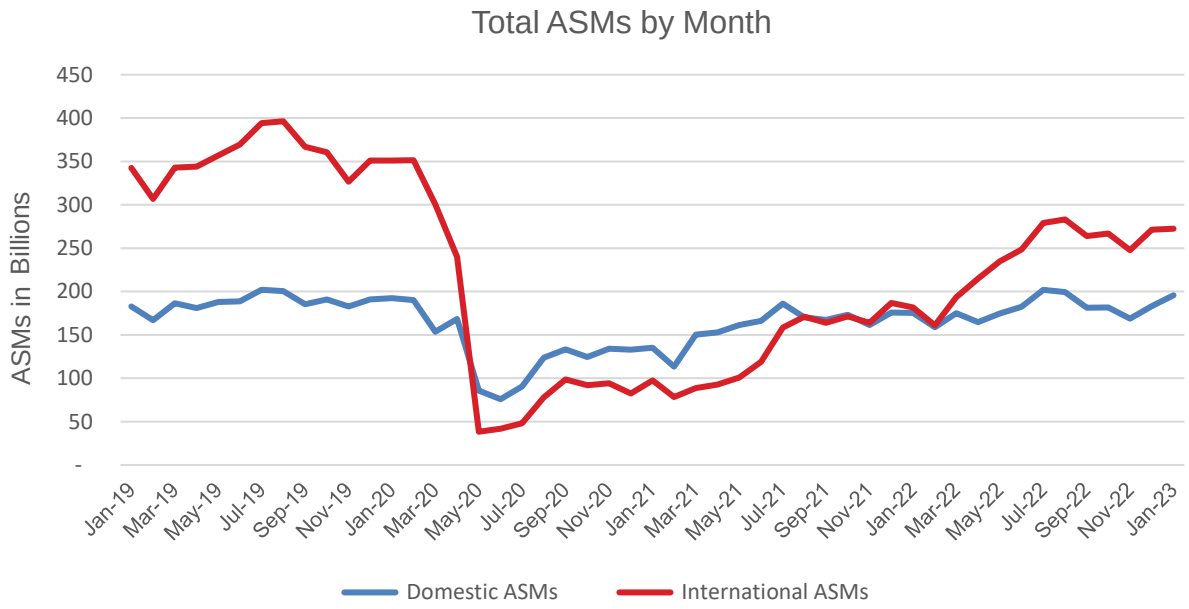
Air traffic strengthened throughout 2022, but interest rates rapidly increased as a result of high levels of inflation. mba continues to monitor inflation's impact on the industry and recognizes that it has temporarily influenced valuations in the near term. mba expects this trend to continue as inflation remains elevated. Whether this will result in a sustained effect on residual values for aircraft has yet to be determined. Furthermore, as inflation and interest rates rapidly rose throughout 2022, escalation costs on new aircraft, engines, and parts were affected. This is exemplified by the Aircraft Producer Price Index, which measures the average change over time in the selling prices received by domestic producers for their output (United States Bureau of Labor Statistics). The index saw stagnation in the latter half of 2022, providing hope that continual increases in interest rates will slow escalation costs and price increases for new deliveries.



Source: Federal Reserve Economic Data (FRED)

Air Traffic Recovery

mba expects a continual uptick in ASMs throughout 2023 as travel demand and capacity recover. However, it is still undetermined when both international and domestic ASMs will realize their previous 2019 highs. During the height of the pandemic in 2020 and 2021, mba conducted a study forecasting the expected recovery in both domestic and international ASMs. The 2021 study forecasted 2022 domestic ASMs would be 22.5% below 2019 levels and recover fully in 2024 while international ASMs would lag behind and reach pre-pandemic highs by 2026. However, with domestic ASMs showing a sharp rebound in 2021 and 2022 global domestic ASMs only 5.1% below their 2019 highs, according to OAG, mba now expects domestic ASMs to recover completely in 2023. mba's forecast projected 2022 international ASMs at 64.1% below 2019 highs, whereas the actual numbers were 33.3% below 2019 highs. Though the forecast indicated international ASMs well below their actual 2022 numbers, mba still foresees ASMs reaching their pre-pandemic highs well into 2025 and 2026.



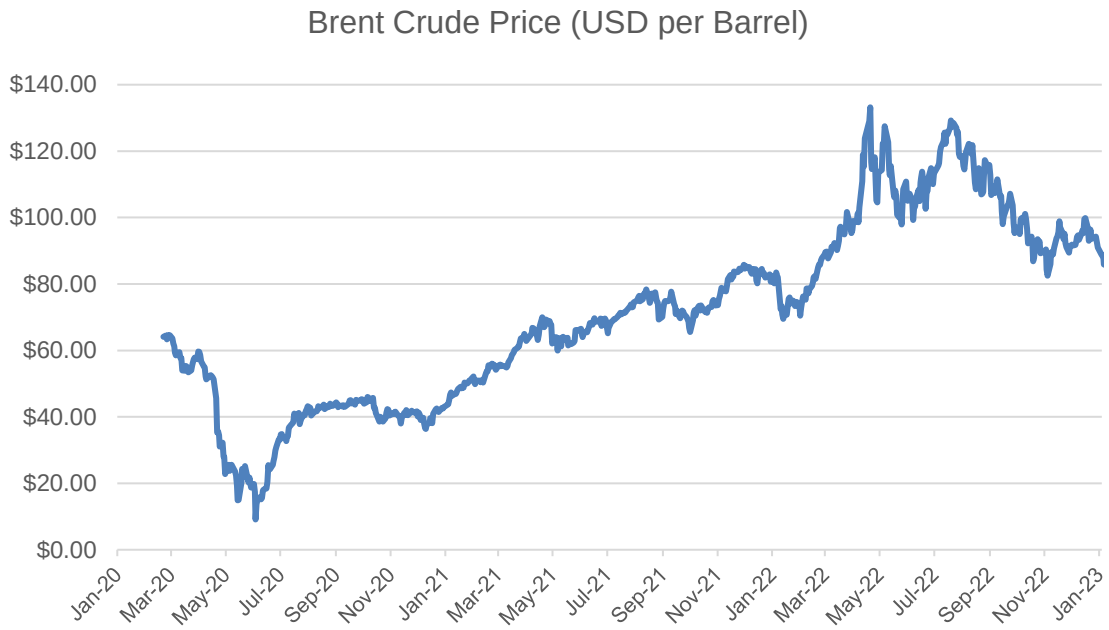
Source: OAG

The major headwind that could impact recovery would be softening travel demand due to a slowing economy in the West. The polarity in economic outlook between the Asia and Western nations could also be an influential factor for the strength of recovery heading into 2023. Asia has primarily lagged in air traffic as a result of strict testing and quarantine. However, there is currently little concern for an economic downturn in the region, as it has not needed to aggressively fight inflation like most western nations. If a downturn were to occur, aviation may also be better insulated as the industry has loosened its concentration and dependence on Western economies compared to the past.

Effects of Oil Prices on Aviation

Historically, oil prices have impacted airlines and industry stakeholders, as they typically constitute upwards of 20.0–30.0% of operators' total expenses. Previous spikes led OEMs to quickly introduce more fuel-efficient aircraft, while drops in fuel price have typically kept older aircraft in service longer. High and volatile fuel prices can have significant impacts on airlines' balance sheets and, in some cases, have been the final nail in a cash-strapped airline's coffin.

After a period of volatility between 2007 and 2011, oil prices remained over US$100.00 per barrel until the end of 2014, leading to the launch of the A320neo in December 2010 and the 737 MAX in mid-2011 as prices surged. Next generation widebodies, too, have been announced when oil prices are high, as the 787 was in 2004 when prices were climbing, and as the A330neo family was in July 2014, right at the tail end of another era of high oil prices. However, by January 2016, Brent Crude had fallen to a new 13-year low, dropping to US$26.00 per barrel. During this period, larger, older, less-efficient widebody aircraft were utilized in larger numbers, keeping residual values for such aircraft higher than one would expect in higher-fuel-price environments.



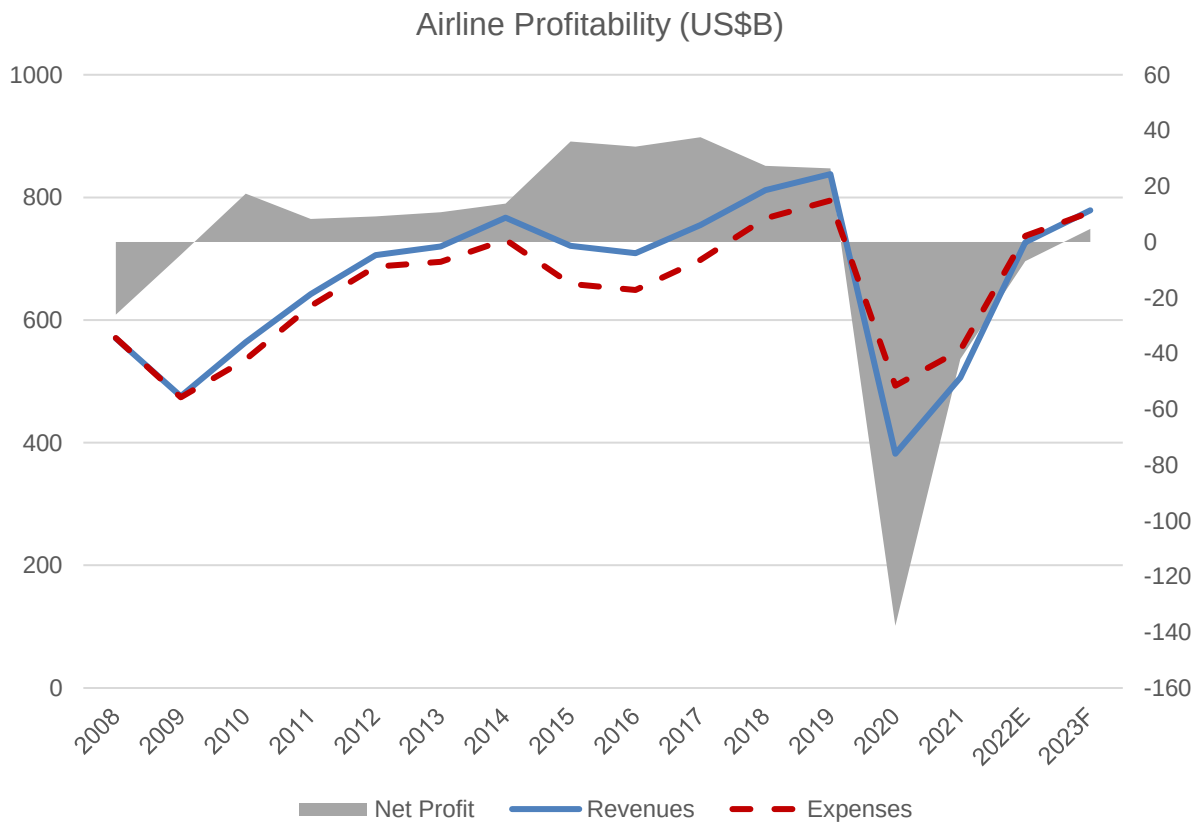
Source: EIA, www.eia.gov

Oil prices in 2020 briefly fell to new 20-year lows but have since rebounded strongly; in 2022, oil prices rose above US$120.00 per barrel for the first time since 2015. Prices are currently quite volatile and have been decreasing steadily since June 2022. As of January 2023, the price of oil was around US$80.00 per barrel. Furthermore, the outlook on prices is highly uncertain due to Russia's war on Ukraine limiting supply and OPEC holding back increasing output significantly. A potential recession in the West could further limit demand in the near term.

Industry Profitability

The airline industry experienced a decade of solid performance with revenues and positive net profitability between 2010 and 2019. Virtually grounded by COVID-19 in 2020, the airline industry suffered substantial loss in connectivity and the economic benefits it generates, resulting in a US$137.7 billion loss for the industry in 2020, followed by losses of US$45.1 billion in 2021. Forecasts for 2022 project that the recovery in the airline industry will continue but will likely end the year with a net loss of US$9.7 billion, followed in 2023 by a forecasted US$3.2 billion profitability.

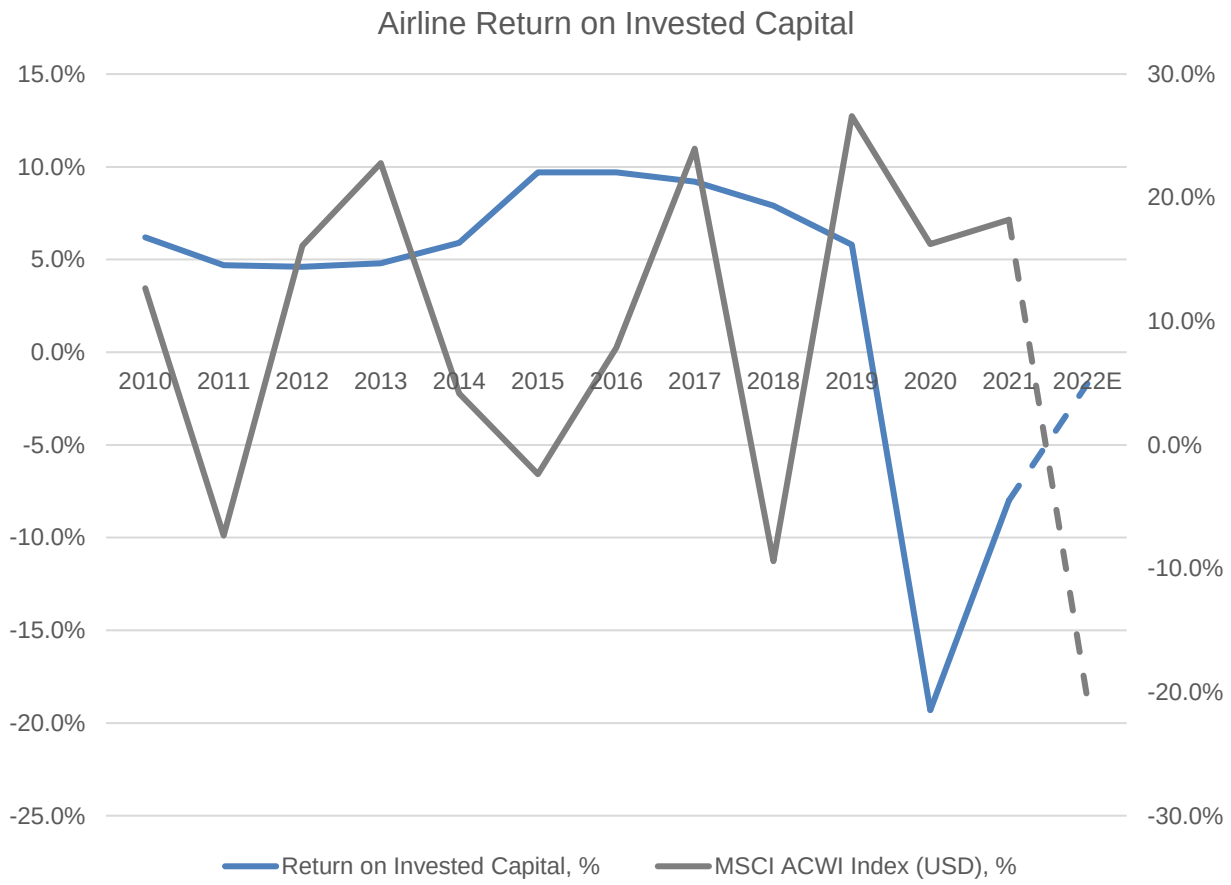
The graph below displays profitability numbers for the global airline industry as per IATA.



Source: IATA Industry Statistics Fact Sheet, IATA COVID-19 Impact Assessment, mba Analysis

Return on Invested Capital

Return on Invested Capital (ROIC) for the airline industry was -8.0% for 2021, a decline due to the COVID-19 pandemic but an increase from 2020's low of -19.3%. The stability in airline margins and ROIC leading up to 2019 was driven by a strong economy, allowing unit cost increases to be recovered through higher load factors and some rise in yields. The graph below presents airline industry ROIC as compared to annual returns for MSCI's ACWI index, which is a global equity index capturing both developed and emerging markets.



Source: IATA, MSCI (2022 Data)

VI. TOUR OPERATORS OVERVIEW

Tour operators are responsible for operating and providing a vacation through the contracting, booking, and packaging together of the various components of a tour, such as hotel, transportation, meals, guides, optional tours, and flight. A tour may not include all these elements.

China Tourism Group Duty Free Corp Ltd, Expedia Group Inc, The Walt Disney Co, TUI AG, and REWE Group are the top five tour operators in the world in 2021 by revenue. Cumulatively, the top ten tour operators in the world employed a total of 598,239 people in 2021. In terms of the geographical split, five out of the top ten tour operators in the world are based in Asia, while three are based in Europe, and two are based in North America.

China Tourism Group Duty Free Corp Ltd (China Tourism Group), formerly China Tourism Group China International Travel Service Corp Ltd (CITS), is one of the leading tour operators in the world by revenue. China Tourism Group operates group and individual tours, business travel, sports activities, leisure tours, sightseeing tours, study tours, conventions, and special-interest tours. It also provides individual booking services and online tourism and travel agency services. The Walt Disney Co, based in the United States, is another leading tour operator in the world by revenue. The company reported revenues of US$6,410 million with average revenue growth of 3.10% in the fiscal year ending 2021 (FY2021). The company owns and operates theme parks and resorts, sells products related to Disney themes, and delivers English language learning. It owns and operates stores in North America, Europe, and Asia, and employs 190,000 people.[1]

TOUR OPERATOR	COUNTRY	ANNUAL REVENUE (2021 US$M)
CHINA TOURISM GROUP DUTY FREE	China	10,493.0
EXPEDIA GROUP	United States	8,598.0
THE WALT DISNEY CO	United States	6,410.0
TUI AG	Germany	5,394.0
REWE GROUP	Germany	2,414.0
JET2 PLC	United Kingdom	1,694.0
HIS CO LTD.	Japan	1,118.0
SCHAUINSLAND-REISEN GMBH	Germany	909.0
FLIGHT CENTRE TRAVEL GROUP	Australia	756.0
SAGA PLC	United Kingdom	519.0

[1]https://www.globaldata.com/companies/top-companies-by-sector/travel-and-tourism/global-tour-operators-by-revenue/#:~:text=China%20Tourism%20Group%20Duty%20Free,world%20in%202021%20by%20revenue.

Tour operators and tourism are extremely vital economic components of the Subject Entity's regional economic environment and prospects. In 2019, tourism accounted for 42.0% of total Caribbean and 10.0% of Latin American exports; the tourism economy, which includes all sectors around service to travelers, accounted for 26.0% of GDP in the Caribbean and 10.0% in Latin America; and creation 35.0% of jobs in the Caribbean and 10.0% in Latin America.[2]

In addition to the economic importance of wealth creation and economic growth tourism creates in Latin America and the Caribbean, tourism also provides the opportunity to make great strides in development, innovation, and environmental sustainability. Tourism is a cross-cutting sector, involving transport, hospitality, catering, culture, gastronomy, leisure, and nature, among others. The socioeconomic shock caused by the pandemic also brought about new opportunities for tourism in Latin America and the Caribbean. Travelers are looking for increasingly local and authentic experiences and are willing to pay more for sustainable destinations (from adventure and nature-based tourism, ecotourism, and agro-tourism to culinary and cultural tourism). This reality has the potential to benefit the countries of the region, due to the extraordinary richness of their natural heritage.[3]

[2] https://www.cepal.org/es/noticias/turismo-sera-sectores-economicos-mas-afectados-america-latina-caribe-causa-covid-19.
[3] https://www.caf.com/en/knowledge/views/2023/01/latin-americas-new-voice-in-global-tourism/.

VII. VALUATION APPROACHES & METHODS CONSIDERED

To arrive at the Conclusion of Value, mba considered three generally accepted approaches to valuation, namely: the Income Approach, the Market Approach, and the Cost Approach. The Income Approach seeks to convert future economic benefits into a present value. The Market Approach relies on values indicated by similar assets or comparable transactions. The Cost Approach is based on a comprehensive or all-inclusive analysis of the relevant cost components.

Income Approach

The Income Approach is based on the premise that the value of a security or asset is the present value of the future earnings capacity that is available for distribution to investors in the security or asset. Expected future earnings capacity can be measured by one of the various benefit streams, such as cash flows, net income, or earnings before taxes, and can be calculated on a debt-free or after-debt basis. Choice of a proper stream of benefits depends on various factors, such as the enterprise's capital structure and its line of business. The Income Approach typically requires entity-specific assumptions, which are evaluated in the context of marketplace assumptions.

Market Approach

The Market Approach relies on values indicated by similar assets or comparable transactions. Using the Market approach, the appraiser conducts a review of historical sale transactions and lease rates. Values for a subject entity are then derived based on the comparable data. In the Market Approach, values may also be derived from discussions with knowledgeable market participants and regulatory agencies.

Cost Approach

The third considered approach to valuation is the Cost Approach. This approach is based on the economic principle of substitution and the asset value is influenced by the cost to substitute or replace the asset. The Cost Approach considers a comprehensive definition of cost, which may include time, materials, and opportunity cost of creating the asset.

Valuation Approaches Chosen

Given the nature of the Subject Entity's operations and its expected earnings, mba concluded that the use of the Income Approach would be appropriate for this Valuation Engagement. Like many businesses, there is a strong correlation between the Subject Entity's value and its ability to generate future operating cash flows or earnings. It is, therefore, appropriate to use the Income Approach for this Valuation Engagement.

Two methods commonly used in the Income Approach are the Discounted Cash Flow Method and the Capitalization of Cash Flow Method. In the Discounted Cash Flow Method, future benefit streams are forecasted for a discrete period of time and then discounted back to their present value using a Discount Rate commensurate with the deemed level of risk. The Discounted Cash Flow Method is a multi-period model that also factors in the present value of a terminal value.

In the Capitalization of Cash Flow Method, the expected benefits for one time period are capitalized into perpetuity using a Capitalization Rate that is equal to the Discount Rate minus the expected long-term sustainable growth rate. The Capitalization of Cash Flow Method is predicated on stable earnings and constant growth and is most appropriate when it appears that a company's current and historical earnings can be considered indicative of its future operating results. Put another way, it is inherent in this method that past or current performance is a reasonable predictor of future performance.

Discount Rates and Capitalization Rates vary among particular types of businesses and from one period of time to another due to a variety of risk factors. Expressed as a percentage, the more speculative a company's income stream is, the higher the Discount Rate and Capitalization Rate. Conversely, the more stable the income stream is, the lower the Discount Rate and Capitalization Rate.

To the extent that the Subject Entity's current and historical results would be considered reasonable proxies for future benefits streams, the Capitalization of Cash Flow Method could be a suitable method under the Income Approach. It is mba's opinion, however, that the Discounted Cash Flow Method is more suitable for purposes of this Valuation Engagement.

VIII. VALUATION APPROACHES & METHODS USED

Income Approach - Discounted Cash Flow Method

Application of the Discounted Cash Flow Method requires the preparation of a reliable forecast of the expected future financial performance of the Subject Entity. In this context, the Subject Entity's future financial performance is a reflection of its future revenues, operating expenses, taxes, working capital requirements, and capital expenditures over some discrete period of time.

Forecasted cash flow must then be discounted to a present value using a Discount Rate that appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows. Finally, an assumption must be made regarding the sustainable long-term rate of earnings growth at the end of the forecast period, and the terminal or residual value of the remaining cash flows must be discounted back to a present value. The sum of the present values of the forecasted cash flows and the terminal value equals the value of the enterprise.

Cash Flow Forecast

For the discounted cash flow analysis, mba utilized forward-looking financial statements supplied by the Subject Entity's management team. In conjunction with the Client-supplied financial statements, mba ran an independent forecast of the Client's operations based on the Subject Entity's historical membership, operating, and capacity data as well as mba's in-house knowledge of current and projected industry conditions.

After review of the forecasted operational metrics and corresponding cash flows provided by the Client, and a comparison with mba's internal forecast, mba found the financial projections forecasted by the Client to be reasonable and achievable. Assumptions in the mba model are outlined below.

Cash Flow Forecast Assumptions

The cash flows were projected from the Valuation Date through December 2027. The following is a list of cash flow assumptions applied to mba's independent forecast referenced for this valuation:

- **REVENUE –** Using 2019–2022 data as reference, mba developed revenue projections for the five-year rolling forecast period. The respective revenue projections are the result of traffic growth (RPK), rates, and estimated growth in sales through different channels. In developing RPK and growth-rate projections, mba relied on historical data, mba industry knowledge and growth projections from Boeing's Current Market Outlook 2022–2041. mba was provided estimates by the Client for the revenue expected by each type of sale. Based on discussions with the Client, these benefits have been incorporated by mba into the annual revenue projections. mba did not have access to the contracts associated with these benefits and has not audited these estimates but believes them to be within reason based on discussions and preliminary results.

- **Operating Expenses –** mba examined historical financial statements for operating expenses and assumed the Subject Entity's forecast to be reasonable considering its historical expenses and expected economic impacts.
- **Depreciation & Amortization –** The Subject Entity does not hold any long-term assets and does not report any depreciation. mba examined historical financial statements and assumed the Subject Entity's forecast to be reasonable considering its historical EBITDA margins and subsequent expected growth.
- **Incremental Working Capital –** Incremental working capital requirements were assumed in line with the Subject Entity's expectations and historical performance. The Subject Entity's working capital turnover rates are within the range of comparable companies.
- **Tax Rate –** Travel agencies in Brazil are included in a federal government tax exemption law until 2026, this was applied to the forecast. The effective tax rate of 34.0% was applied to the forecast beginning in 2027 and to the WACC calculation used to discount future cash flows.
- **Terminal Growth Rate** – At the conclusion of the forecast period, mba applied a terminal growth model based on the forecasted 2027 cash flows. mba assumed a terminal growth rate of 3.4% to be appropriate considering the industry, business model, and regional consumer behaviors.

Discount Rate Estimation

The Discount Rate applied to the forecasted benefit stream and terminal value must adequately reflect the nature of the applicable investment and the risk associated with the underlying cash flows. Stated another way, the Discount Rate represents the total rate of return that an investor would demand given the level of risk associated with an investment. For purposes of an enterprise valuation, mba derived the Subject Entity's Weighted Average Cost of Capital (WACC). This reflects the return required by all providers of capital weighted by their relative contribution to total capital.

The after-tax Cost of Equity represents the return required by equity investors. mba considered two common methods of developing an appropriate Cost of Equity: the Buildup Method and the modified Capital Asset Pricing Model (CAPM). The Buildup Method starts with a risk-free rate of return and adds to it a number of identifiable risk factors. The modified CAPM is similar to the Buildup Method except that it requires the use of industry-specific beta information derived from similar public companies. For purposes of this Valuation Engagement, mba determined that the Buildup Method was appropriate for determining the Subject Entity's Cost of Equity.

The formula for the Buildup Method is $k_e = r_f + r_m + r_i + r_s + r_c$. The following definitions apply:

Cost of Equity Capital (k_e) - The return required by stockholders.

Risk-Free Rate (r_f) - The return on government securities with a term similar to that of the investment being valued.

Equity Risk Premium (r_m) - The additional return an investor expects in order to compensate for the additional risk associated with investing in equity securities instead of investing in a riskless asset; a measure of systematic risk.

Industry Risk Premium (r_i) - Unsystematic risk attributable to the industry in which the Subject Entity operates.

Size Premium (r_s) - Unsystematic Risk attributable to the widely acknowledged fact that smaller stocks, on average, are riskier than larger stocks and therefore require a greater return.

Specific Risk (r_c) – Unsystematic Risk attributable to a subject asset.

mba estimated the Subject Entity's Cost of Equity through the build-up method in the table below:

COST OF EQUITY

RISK-FREE RATE	3.50%
EQUITY RISK PREMIUM	6.00%
INDUSTRY RISK PREMIUM	3.00%
SIZE PREMIUM	5.35%
SPECIFIC RISK	2.00%
ESTIMATED COST OF EQUITY CAPITAL (AFTER-TAX)	**19.85%**

The after-tax Cost of Debt represents the return required by debt investors on long-term interest-bearing debt.

The formula for the after-tax rate of return is $k_d = k \times (1-t)$. The following definitions apply:

Cost of Debt (k_d) - The return required by debt investors.

Pre-tax Cost of Debt Capital (k) - Pre-tax cost of debt capital based on the yield of corporate bonds with a rating similar to that of the investment being valued.

Effective Income Tax Rate (t) - The percent of income that a corporation pays in taxes.

mba estimated the Subject Entity's Cost of Debt in the table below:

COST OF DEBT

PRE-TAX COST OF DEBT CAPITAL	13.41%
EFFECTIVE INCOME TAX RATE	34.00%
ESTIMATED COST OF DEBT CAPITAL (AFTER-TAX)	**8.85%**

The risk factors used in the Buildup Method are individually computed and are intended to be independently additive and non-overlapping in their measurement of risk. The selected risk-free rate of return is the KROLL Normalized Risk-Free Rate. mba did not compute the risk premium factors and instead relied on the *KROLL Cost of Capital Navigator* in determining the Equity Risk Premium, Size Premium, and Industry Risk Premium. For the Industry Risk premium, mba observed the measures for GICS 203020 – "Airlines." This is the GICS classification that mba views as a reasonable proxy for a travel business unit such as Azul Viagens. Specific risk is a matter of professional judgment and deals with the risk of a particular asset or company. mba believes 2.0% is appropriate for a travel company operating in Brazil at this time. The cost of debt for a company with ratings similar to the Subject Entity at the time of this valuation is estimated at 13.41%. Using the industry-observed target capital structure of 55.0% debt to 45.0% equity, mba calculated the WACC to be 13.8%.

IX. VALUATION ADJUSTMENTS

When an interest lacks certain elements of control and marketability, two discounts are generally appropriate. They are typically referred to as the discount for Lack of Control, also known as the minority interest discount, and the discount for Lack of Marketability. Both Discounts for Lack of Control and Lack of Marketability in the valuation of closely held businesses have also been recognized by the various courts that have considered these issues.[4] A range of accepted discounts from court cases may not be meaningful in determining the appropriate discount for a particular valuation subject since those decisions rely heavily on the particular facts and circumstances specific to the respective cases but are useful in observing as a measure of reasonability.

Discount for Lack of Control

Discount for Lack of Control, also referred to as minority interest discount, is "an amount or percentage deducted from the pro rata share of value of 100.0% of an equity interest in a business to reflect the absence of some or all of the powers of control." The value of control depends on a shareholder's ability to influence what are referred to as "control prerogatives." The more common control prerogatives are:[5]

- Elect directors and appoint management;
- Determine management compensation and perquisites;
- Acquire or liquidate assets;
- Liquidate, dissolve, or recapitalize the company;
- Declare and pay dividends;
- Initiate a public offering of the company; and
- Change business plans/models.

The following factors can affect the amount of control, or lack thereof, and should be considered when determining the appropriate minority interest discount:

- Voting vs. non-voting interests;
- Cumulative vs. non-cumulative voting interests;
- Outside contractual restrictions;
- Federal and state regulations; and
- Distribution of ownership.

[4] See, for example, James R. Hitchner. *Financial Valuation Applications and Models*. Hoboken, NJ: John Wiley & Sons, Inc., 2003, at pp. 540-576.
[5] See, for example, Shannon P. Pratt. Valuing a Business: The Analysis and Appraisal of Closely Held Companies, 5th Edition. New York, NY: McGraw-Hill, 2008, at p. 385.

Because the purchaser of a non-controlling interest in a company would have little rational expectation of being able to influence company policy or company actions via voting rights, the value of a minority interest is subject to discount to reflect this Lack of Control and influence.

Studies of actual transactions indicate that companies pay a control premium when purchasing a controlling interest. The studies compare the actual price paid for a controlling interest to the price at which minority shares were previously traded. An implied minority discount is derived by formula from the median control premiums. It should be noted that these premiums are based on a company's stock price shortly before the announcement date of a merger transaction. Because stock prices tend to rise shortly before such transactions, the premiums may be understated. Also, the premiums documented in these studies are total acquisition premiums and, therefore, may reflect matters other than just control. For example, a company may be willing to pay a premium when acquiring another company for synergistic reasons.

Discount for Lack of Marketability

Shares of stock in a privately held company generally trade at a very significant discount to shares of stock in an otherwise equivalent publicly held company that are freely traded on organized exchanges. This is due to the relative ease and speed with which public company shares can be liquidated. Minority stockholders are at an even bigger disadvantage than majority stockholders when it comes to liquidity. In comparison to publicly traded securities, private company shares typically have attributes that make liquidation a slow and sometimes onerous process. Such attributes may include:[6]

- Existence of "put" rights;
- Historical distribution levels and the likelihood of future distributions;
- Pool of potential buyers;
- Prospects for a liquidation event (e.g., an acquisition or a public offering);
- Restrictive transfer provisions;
- Size and financial strength of the enterprise;
- Size of the ownership interest in question; and
- Information access and reliability.

While often difficult to quantify with precision, the concept of discounts for Lack of Marketability is widely accepted. If an investment cannot be readily sold, the absence of liquidity tends to adversely affect its value.

[6] See, for example, Shannon P. Pratt. *Valuing a Business: The Analysis and Appraisal of Closely Held Companies, 5th Edition*. New York, NY: McGraw-Hill, 2008, at pp. 446-448 and Shannon P. Pratt. *Business Valuation Discounts and Premiums*. New York, NY: John Wiley & Sons, Inc., 2001, at p. 79 and pp. 152-164.

The appropriate size of a discount for Lack of Marketability generally varies from one investment to another. To determine the discount applicable to a specific valuation subject, all relevant attributes must be examined. Data from various restricted stock studies and initial public offering studies, as described below, can provide insight in determining the appropriate Lack of Marketability discount. These studies are commonly referred to by business valuation analysts and cited in business valuation texts.

The restricted stock studies focus on comparing the prices of public companies' restricted stocks to their unrestricted equivalents. Restricted stock is unregistered stock subject to SEC Rule 144 and differs from other public company stocks only in that it typically is restricted from trading on the open market for a period of time. Since the shares studied are identical in all other respects, study results are thought to isolate the disadvantage associated with Lack of Marketability. The discount levels documented by these restricted stock studies range from 13.0% to 45.0%.

It should be noted that the SEC's 1997 reduction in the restricted stock holding period from two years to one may help explain lower documented discount levels in post-1996 study results. It should also be noted that various studies have documented the inverse relationship between discount size and the size (e.g., revenues, earnings, market capitalization) of study subjects.[7]

Another group of marketability studies focuses on comparing transactions in private company stocks with subsequent IPOs of the same stocks, the latter typically at a higher price. The price differential is, at least in part, attributable to the Lack of Marketability of such stocks prior to the public offering and tends to be smaller for transactions close to the IPO date and larger for transactions further away from the IPO date. The distinguishing factor between these pre-IPO studies and the restricted stock studies is that there exists no public market for a pre-IPO stock, whereas for restricted stocks a public market does exist, even if it is not immediately accessible. Consequently, the discount levels reported by the pre-IPO studies are generally higher than those of the restricted stock studies. The discount levels documented by these studies, range from about 35.0% to 65.0%.

Consideration of (but not reliance on) the restricted stock studies and the pre-IPO studies, however, is a necessary step in the business valuation process. Based on the foregoing, there is substantial evidence that the Lack of Marketability can severely reduce the value of a closely held business interest.

Concluded Discounts

The concepts of marketability discounts and control premiums, thus implied discounts for Lack of Control, are theoretically valid. Depending on the facts and circumstances germane to a particular Valuation Engagement and the applicable standard of value, discounts for Lack of Control, Lack of Marketability, or both may be appropriate.

[7] James R. Hitchner. *Financial Valuation Applications and Models*. Hoboken, NJ: John Wiley & Sons, Inc., 2003, p. 310.

Premium/(Discount) for Lack of Control

The Subject Entity represents a controlling interest[8] given that it is fully owned by the Client. As a result, the value of the Subject Entity must be determined on a controlling basis. The benefit streams that were utilized in the application of the Discounted Cash Flow Method reflect adjustments that a controlling owner might make. The underlying economic income reflects the incorporation of the growth plan as laid out by management and provides distributions to equity holders in a positive income year. As such, the application of the Discounted Cash Flow method produces a controlling value.

Discount for Lack of Marketability

With respect to marketability, the Subject Entity is a private business unit of the Company. An ownership interest that is not readily marketable generally trades at a price lower than a similar interest that is readily marketable; there exists no established market in which to sell the Company's interest in the Subject Entity. The amount of the discount for Lack of Marketability depends on the degree of liquidity based on the facts and circumstances.

mba considered the following factors in reaching a judgment on the discount for Lack of Marketability for the Subject Interest:

- LEVEL OF HISTORICAL AND PROSPECTIVE CASH DISTRIBUTIONS – The Subject Entity has made significant distributions. This factor supports a lower discount for Lack of Marketability.
- EXISTENCE OF POTENTIAL BUYERS – The pool of potential buyers for a privately held travel company is limited. Moreover, a buyer would consider the risk in investing in a Subject Interest so reliant on another company. This factor supports a higher discount for Lack of Marketability.
- PROSPECTS FOR IPO OR SALE – The Subject Entity has not historically expressed interest in an IPO. This factor is neutral with respect to Lack of Marketability.
- CONTRACTUAL RESTRICTIONS ON TRANSFER – As of the Valuation Date, there are no known restrictions on the transfer of the Subject Entity. This supports a lower discount for Lack of Marketability.
- SIZE OF THE BLOCK – The value of the Subject Entity does represent a significant dollar amount. This supports a higher discount for Lack of Marketability.
- SIZE AND FINANCIAL STRENGTH OF SUBJECT ENTITY – The Subject Entity generates a significant amount of cash. This supports a lower discount for Lack of Marketability.

[8] Greater than 50.0% interest.

- **ACCESS TO INFORMATION** – The Subject Entity's shares are not registered with the Securities and Exchange Commission (SEC) and the Subject Entity is not required to file quarterly or annual financial statements. A private investor would have to expend additional resources in a due diligence effort to ascertain the value of the Subject Entity and the value of the Subject Interest. This supports a slightly higher discount for Lack of Marketability.

Based on the consideration of the relevant facts and circumstances, it is mba's opinion that the value of equity determined using the Discounted Cash Flow Method resulted in a marketable value. As such, for the Subject Interest, a 25.0% Discount for Lack of Marketability was applied to the Discounted Cash Flow Method.

X. CONCLUSION OF VALUE

The following summarizes mba's Conclusion of Value of the Subject Entity as of the Valuation Date.

(R$ M)	CALCULATION	DLOM[9]	DLOC[10]	CONCLUSION OF VALUE
AZUL VIAGENS ENTERPRISE VALUE, INCLUDING IP	R$3,171.0	-25%	0%	R$2,378.3
AZUL VIAGENS IP				R$193.7

It is important to note that this Conclusion of Value is for the Enterprise Value of the Subject Entity.

This Conclusion of Value is subject to the Representation of the Valuation Analyst and the Statement of Assumptions & Limiting Conditions found in this Report. mba has no obligation to update this report or the Conclusion of Value for information that comes to attention after the Report Date.

[9] DLOM: Discount for the Lack of Marketability.
[10] DLOC: Discount for the Lack of Control.

XI. RISK FACTORS

The Conclusion of Value was determined assuming key factors affecting the value, including the economic, competitive, and financing environments. In the event any of these key factors affecting materially diverge in the future from mba's assumptions, mba's valuation results would be expected to change accordingly. Several of the major risks associated with these valuations are outlined below.

Regulatory Risks

mba's Conclusion of Value is based on the regulatory environment remaining in its currently expected state. In the event regulatory changes are adjusted, the Conclusion of Value expressed in this Valuation Report could change significantly as market share and market size change within the Subject Entity's operations.

Economic Risks

mba's valuation is based on current economic conditions regarding global and regional economies. As stated earlier in the report, demand for air transport services is highly cyclical and is strongly correlated with economic trends. Therefore, a downturn in the global economy could have a negative impact on demand for passenger travel. Likewise, increased prosperity would have a positive effect on personal incomes, causing a rise in passenger traffic. As the air transport industry experiences these variances, the value of the Subject Entity could vary accordingly.

Competitive Risks

The Subject Entity's continued competitiveness will depend in large part on the Subject Entity's ability to remain affiliated, expand, and diversify product offerings and customer reach. Additionally, being the only travel agency in the Brazilian domestic market that offers dedicated flights to markets not previously served through Azul S.A. These flight services are a competitive advantage that the Subject Entity must continue to thrive in order to remain competitive.

Revenue Risks

mba's valuation is based on the assumption that the Subject Entity will be able to maintain and grow its revenue and earnings margins. If the Subject Entity does not maintain or attain these levels, it could impact mba's valuation.

Reputation Risk

The Subject Entity relies heavily on its long-term reputation, tied to the brand name, for revenue. The profitability of the Subject Entity, and therefore the valuation, could be adversely impacted due to damage to the brand's reputation.

Air Partners Risk

The Subject Entity relies heavily on its partnership with Azul S.A. to offer dedicated flights for Azul Viagens. The profitability of the Subject Entity, and therefore the valuation, could be adversely impacted if its partner is unable to fulfill its obligations.

Foreign Exchange Risks

The Company has a small number of operations denominated in foreign currency, mainly represented by ticket purchases with peer airlines, trade receivables from peer airlines and cash equivalents. A strengthening of the value of foreign currencies relative to the Reais could result in a decrease in operating income. No assumptions regarding hedging strategies affecting this risk were incorporated.

Redemption Rates of Points Risks

mba's valuation is based on the assumption that the Subject Entity is able to maintain its current redemption rate. Variation in future redemption rates of points achieved by the Subject Entity may result in a positive or negative impact on mba's valuation.

Cyber-Security Risks

The Subject Entity's value is tied to its use of technology as a value driver. Strategic initiatives, such as outsourcing, use of third-party vendors, cloud migration, mobile technologies, and remote access, are used to drive growth and improve efficiency but also increase cyber risk exposure. If the Subject Entity is exposed to a cyber attack or data breach, there is a risk of damage and destruction of data or monetary loss, including theft of intellectual property, productivity losses, and reputational harm.

Other Risks

There are several other risks to the valuation expressed herein, including but not limited to the threat of terrorist attacks, natural disasters, and pandemic illness, such as the outbreak of Coronavirus, the H1N1 virus (swine flu), SARS, or bird flu.

XII. STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

1. The Conclusion of Value arrived at herein is valid only for the stated purpose as of the Valuation Date.

2. Financial statements and other related information provided by the Subject Entity or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. mba has not audited, reviewed, or compiled the financial information provided to us and, accordingly, expresses no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources mba believes to be reliable. However, mba makes no representation as to the accuracy or completeness of such information and has performed no procedures to corroborate the information.

4. mba does not provide assurance on the achievability of the results forecasted by the Subject Entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

5. The Conclusion of Value arrived at herein is based on the assumption that the current level of management expertise and effectiveness will continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. The Valuation Report and its Conclusion of Value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The Conclusion of Value represents the considered opinion of mba, based on information furnished to mba by the Subject Entity and other sources.

7. The Valuation Report and its Conclusion of Value will not be disseminated by the Subject Entity or by any of its agents to other firms considered to be competitors to mba in the airline route valuation field without the prior express written approval of mba.

8. Future services regarding the subject matter of this Valuation Report, including but not limited to testimony or attendance in court, shall not be required of mba unless previous arrangements have been made in writing.

9. mba has not determined independently whether the Subject Entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. mba's valuation takes no such liabilities into account, except as they have been reported to mba by the Subject Entity or by an environmental consultant working for the Subject Entity, and then only to the extent that the liability was reported to mba in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to mba, mba has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. No change of any item in this Valuation Report shall be made by anyone other than mba, and mba shall have no responsibility for any such unauthorized change.

11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the Subject Entity due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

12. mba has corresponded with the current management of the Subject Entity concerning the past, present, and prospective operating results of the company.

13. mba has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

XIII.REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the Valuation Date, to the best of mba's knowledge and belief, that:

- The analyses, opinions, and Conclusion of Value included in the Valuation Report are subject to the specified Assumptions and Limiting Conditions and are the personal analyses, opinions, and Conclusion of Value of the valuation analyst.
- The valuation analyst is unrelated to the Subject Entity and has no current or expected interest in the Subject Entity or its assets.
- The Valuation Report was prepared for the purpose stated therein. The Valuation Report is not intended to be and should not be used for any other purpose.
- The valuation analyst has no obligation to update the Valuation Report or the Conclusion of Value for information that comes to his or her attention after the Valuation Date.
- The valuation analyst's compensation for the Valuation Engagement is in no way contingent on the outcome of the valuation.
- This report represents mba's opinion as to the value of the Subject Entity and is intended to be advisory only and is not given for or as an inducement for any specific financial transaction. Therefore, mba assumes no financial responsibility or legal liability for decisions or actions taken or not taken by the Subject Entity or any other party with regard to the Subject Entity. mba accepts no responsibility for damages, if any, claimed by a third party as a result of decisions or actions taken based on the information contained in this report. By accepting this report, all parties agree mba shall bear no such responsibility or legal liability. mba consents to the use of this appraisal report as required by the terms in the indenture.

PREPARED BY:

Anala Ravinarayan
Director | Airline & Airport Services
mba Aviation

April 27, 2023

REVIEWED BY:

Anne Agnew Correa, CVA
Senior Vice President | Airline & Airport Services
mba Aviation

ANNEX C: APPRAISAL REPORT OF THE AZUL BRAND IP

Valuation of:
Azul S.A.'s Intellectual Property

Client:
Azul S.A.

Date:
April 28, 2023

Headquarters:

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I. VALUATION SUMMARY

VALUATION SUMMARY

SUBJECT ENTITY	Azul S.A.
SUBJECT ASSET	Azul S.A.'s Brand Intellectual Property
NUMBER OF EMPLOYEES	Approximately 13,000
PURPOSE OF VALUATION	Financing or Refinancing Transactions
STANDARD OF VALUE	Fair Market Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	March 7, 2023
VALUATION APPROACHES	Income Approach
VALUATION METHODS	The Relief from Royalty Method
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	R$5,000,373,000.00

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation (mba) was engaged by Azul S.A. (herein referred to as Azul, the "Client," the "Airline", or the "Subject Entity") to estimate the value of its Brand Intellectual Property ("Subject Asset") as of March 7, 2023 (the "Valuation Date").

It is understood by mba that the Conclusion of Value will be used by the Client in connection with potential financing or refinancing transactions. mba understands that this report may be provided to agents, trustees, lenders, noteholders, and other parties in connection with any such transaction. This Valuation Report was prepared solely for the purpose described in this paragraph and, accordingly, should not be used for any other purpose. This Report should not be distributed to any party other than the Client or the agents, trustees, lenders, noteholders, and other parties in connection with any such transaction without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Asset as of the Valuation Date. For the purpose of this valuation, historical financials and other information covering the results of the Subject Entity's operations were used, including forecasted financial performance and estimates of passenger growth provided by the Client. It is mba's understanding that this information represents the most complete and reliable financial information available as of the date of this report. In this valuation, mba considered only circumstances that existed as of, and events that occurred up to, the Valuation Date.

Standard & Premise of Value

Two important concepts mba considered before beginning this engagement were the applicable Standard of Value and Premise of Value. Standard of Value deals with the definition of value or the type of value being proffered. Numerous Standards of Value exist and may be applicable for a particular valuation, depending on the purpose of that engagement. For this valuation, the applicable Standard of Value is Fair Market Value.

The IRS defines Fair Market Value as:

> *The price at which property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.*

Premise of Value deals with the "how" in a transaction. The valuation premise may be either in-use or in-exchange, with the determining factor being the highest and best use as considered from a market participant's perspective. In this case, the Conclusion of Value is based on an in-exchange valuation premise of Going Concern, which assumes that the Subject Entity will continue to operate into the future.

Scope of the Valuation Engagement

There is a specialized classification of intangible assets called intellectual properties. Intellectual properties manifest all of the economic existence and economic value attributes of other intangible assets. Intangible assets are often created in the normal course of business operations. However, intellectual properties are created by human intellectual or inspirational activity. A common categorization of intellectual property types is:

1. Creative (e.g., trademarks, trade names, service marks, logos, copyrights, software, databases, data content)
2. Innovative (e.g., patents, industrial designs, trade secrets, technology)

mba has valued the Subject Asset and considered the following factors in this valuation.

- The nature of the business, the Subject Asset, and the history of the enterprise from its inception;
- The economic outlook in general and the condition and outlook of the specific industry in particular;
- The financial condition of the business; and
- The earning capacity of the business and its Subject Asset.

mba's scope of work included but was not necessarily limited to the following:

- Discussions with management concerning the Subject Asset, financial and operating history, and forecasted future operations of the Subject Entity;
- Analysis of historical financial statements and other financial and operational data concerning the Subject Asset;
- Analysis of forecasted financial and operational data concerning the Subject Asset;
- Research concerning the Subject Entity; its financial and operating history; the nature of its products, services, and technologies; and its competitive position in the marketplace;
- Research and analysis on the industry segment in which the Subject Entity operates;
- Research and analysis on current economic conditions and the outlook for the Latin American and global economies; and
- Analysis and estimation of the value of the Subject Asset as of the Valuation Date.

Sources of Information

The principal sources of information utilized in conducting this analysis were as follows:

- Interviews with Subject Entity;
- Internal financial statements for the years ending December 31, 2019, through 2022;
- Forecasted financial statements prepared by the Subject Entity;
- OAG Schedules Data;
- Subject Entity Presentation;
- Subject Entity website and press releases;
- Statistics, studies, forecasts, and articles regarding the industry in which the Subject Entity operates and the economic environment; and
- mba's internal data and values for the assets held by the Subject Entity; and
- Other industry news sources and internet research.

Financial and other pertinent information provided to mba by the Subject Entity has been accepted without further verification. mba did not audit, review, compile, or attest under the AICPA Statements on Standards for Attestation Engagements (SSAEs) to any financial information derived from those sources, and mba, therefore, assumes no responsibility for any such financial information.

Refer to Section X for a complete list of Assumptions & Limiting Conditions applicable to this Valuation Report. Certain specific assumptions and limiting conditions may be cited in the body of this report.

III. SUBJECT ENTITY OVERVIEW

Nature, Background & History[1,2]

Azul is the largest airline in Brazil in terms of departures and cities served, with 158 domestic destinations as of the end of 2022. Azul is the sole airline on 81.0% of its routes and the country's fastest growing airline since its operations commenced in 2008. In addition to having an extensive network, optimized fleet, and a high-quality product, Azul also has strategic revenue-generating business units, including its wholly-owned loyalty program, TudoAzul, and its logistics solutions business, Azul Cargo. In addition, the airline offers flights to select international destinations, including Fort Lauderdale, Orlando, Curacao, Montevideo, Punta del Este, Lisbon, and Paris.

The Airline was started by David Neeleman, the founder of JetBlue, Morris Air, WestJet, and Breeze Airways, with a fleet of E-Jets. While competitors focused on the São Paulo, Brasilia, and Rio triangle, Azul commenced with operations out of its Campinas hub. It acquired the largest Brazilian regional carrier, TRIP in 2012.[3] Azul entered a code-share agreement with United Airlines in 2014 and commenced international operations to Florida. In 2015, United acquired a 5.0% preferential equity stake in the Airline, which it increased to an 8.0% stake in 2018.[4] In 2016, HNA Group, the parent company of Hainan Airlines, became the largest single shareholder of Azul after acquiring a 23.7% stake in the Airline. HNA Group divested its holding in Azul in 2018.

Azul's passenger volume and revenues have more than recovered since the onset of the COVID-19 pandemic. The Subject Entity is estimated to have carried about 27 million domestic passengers in 2022, and it achieved record revenues of an estimated R$16 billion in 2022 (40.0% higher than 2019 levels). The Subject Entity has codeshare agreements with 12 global airlines and interline agreements with 14 airlines. It is the only carrier on about 80.0% of its routes. It operates a diverse fleet of ATR 72s, Embraer E195s, and E195-E2s, as well as Airbus A320neo family aircraft, A330s, and A350s.

The full-year financial statements for the Subject Entity are summarized below.

R$ MILLION	*2019*	*2020*	*2021*	*2022*
OPERATING REVENUE	$11,442	$5,744	$9,976	$15,9345
REVENUE GROWTH, Y/Y		*-49.8%*	*73.7%*	*59.7%*
EBIT[5]	($1,195)	($1,399)	$55	$1,632
EBIT MARGIN	*-10.4%*	*-24.4%*	*0.5%*	*10.2%*

[1] https://www.voeazul.com.br/en.
[2] Azul Day Presentation.
[3] Agreement entered in 2012 with merger completed in 2014 following approval from authorities.
[4] United 2018 10-k.
[5] Azul.

Strategy[6]

Azul prides itself on its differentiated business strategy, superior customer experience, and innovative branding. To achieve this, the Airline has built a unique network with strategically located hubs, and it operates a diversified, flexible fleet to service its markets. The Airline also owns a number of fast-growing, high-margin businesses, including Azul Cargo, TudoAzul, and Azul Viagens.

Unique Network with Strategically Located Hubs

Azul's network strategy involves serving underserved markets. Competitors focus on the São Paulo, Brasilia, and Rio triangle, with over 90.0% of competitors' domestic Available Seat Kilometers (ASKs) from/to cities in the triangle, compared to 37.0% for Azul. Azul's network is much more diversified, with higher exposure to fast-growing regions in Brazil. The Airline has built a network distinguished from its competitors as the sole airline on roughly 80.0% of its routes. It has the largest domestic network of any Brazilian airline, serving over 150 destinations with around 1,000 daily departures as of the end of 2022. It has a strong presence in the Amazon region (30.0% of the Airline's network is in Brazil and 21.0% of Azul Cargo revenues).

Diversified, Flexible Fleet

Azul's fleet consists of Cessna, ATR, Embraer, and Airbus aircraft of different sizes to serve different markets. According to Azul, diversified, low-cost means flying the largest aircraft you can fill; Brazil has limited number of markets that can fill large aircraft. The Airline's fleet strategy involves keeping unit cost low by operating a fleet made mostly of fuel-efficient next generation aircraft (70.0% of Azul's ASKs). The carrier is currently undergoing a fleet transformation program and expects 100.0% of its fleet to be made up of efficient next generation aircraft by 2026. The airline targets to be carbon-neutral by 2045, five years ahead of the industry.

Fast-growing, High-margin Businesses

Azul is investing resources in growing its fast-growing, high-margin businesses, including Azul Cargo, TudoAzul, and Azul Viagens. Azul's air cargo business is the largest one in Brazil. Azul Cargo has expanded as a logistics business and not just a cargo carrier. It leverages Azul's unparalleled network and marginal cost from belly space. Azul cargo operates the world's first Embraer F-Class Freighters, and the carrier looks to add capacity in 2022 and beyond. Azul's loyalty business, TudoAzul, offers options for customers to maximize purchase power. TudoAzul had over 15 million members in 2022. Azul is also leveraging its network to grow its travel business, Azul Viagens.

[6] Institutional Presentation 3Q22.

Competition

Azul competes with three carriers in the Brazilian domestic market. The four carriers are listed below, with the number of ASKs and frequencies they have within the Subject Entity's core and target markets during 2023.

CARRIER	FREQUENCIES	ASKS (000)
AZUL AIRLINES	321,075	35,744,006
LATAM AIRLINES GROUP	242,847	44,782,174
GOL LINHAS AEREAS S.A.	230,577	41,455,079
PASSAREDO	17,606	568,372

Source: OAG Schedules Data, FY 2023 Expected as of February 2023

IV. SUBJECT ASSET OVERVIEW

There is a specialized classification of intangible assets called intellectual properties. Intellectual properties manifest all of the economic existence and economic value attributes of other intangible assets. Intangible assets are often created in the normal course of business operations. However, intellectual properties are created by human intellectual or inspirational activity. A common categorization of intellectual property types is:

1. Creative (e.g., trademarks, trade names, service marks, logos, copyrights, software, databases, data content)
2. Innovative (e.g., patents, industrial designs, trade secrets, technology)

Intellectual Property

Intellectual properties are assets with the capability of generating revenue, decreasing costs, expanding and protecting competitive positions, or enhancing customer value propositions. The intellectual property associated with the Subject Entity is critical to realizing these capabilities.

Azul's marketing and distribution method contributes to its intellectual property. The distribution technology and approach create significant cost savings and enable Azul to maximize revenue through increased interaction with customers. The Subject Entity is also able to utilize customer email addresses in its database, which provide multiple cost-effective opportunities to market products and services, including at the time of travel purchase, between purchase and travel, and after travel is complete. Azul is also able to leverage this data for the purpose of its travel business, Azul Viagens, and its loyalty program, TudoAzul. The Subject Entity continues to enhance its automation and expects continuous improvements to its website, and to the websites of its high-margin businesses, which will create additional revenue opportunities. The Subject Entity's pricing system is flexible and powerful—it can price based on the level of engagement of the client and can vary based on the day or hour of flight and customer behavior.

The low-cost distribution strategy results in reduced expenses by avoiding the fees associated with the use of Global Distribution System (GDS) distribution points.[7] Every GDS charges per transaction. Booking fees are usually between 2.0% and 4.0% of a ticket price and around 20.0% for a hotel booking.[8] The automated marketing and targeted advertising allow Azul to maintain lower-than-average industry costs on a per-passenger basis.

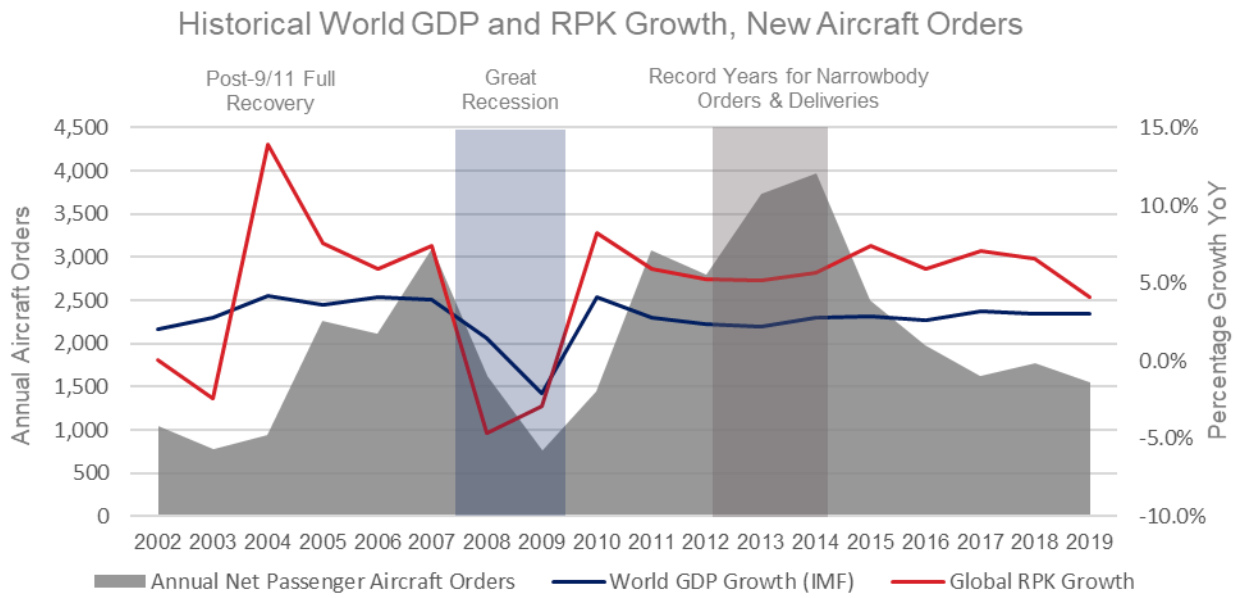
[7] Azul 2021 Form 20-F.
[8] A-viewpoint-on-GDS-surcharges-and-the-evolving-airline-distribution-landscape, TPConnects.

V. AVIATION INDUSTRY OVERVIEW

A key component of any appraisal is an understanding of the market at the time the valuation is rendered, contextualized by recent notable developments. Previous years have been filled with uncertainty, but the industry heads into 2023 with hopes that indications of a global recession, supply-chain constraints, and climbing interest and inflation rates do not hinder further recovery. However, the International Air Transport Association (IATA) has forecasted airlines' return to profitability in 2023, and positive signs are emerging even among a slowing economy. Economic outlook in Asia also remains positive, providing potential means for further recovery. In the following sections, mba defines current and recent passenger air market conditions, highlights major factors influencing values in aviation, and offers mba's view of the current market situation for the aviation industry.

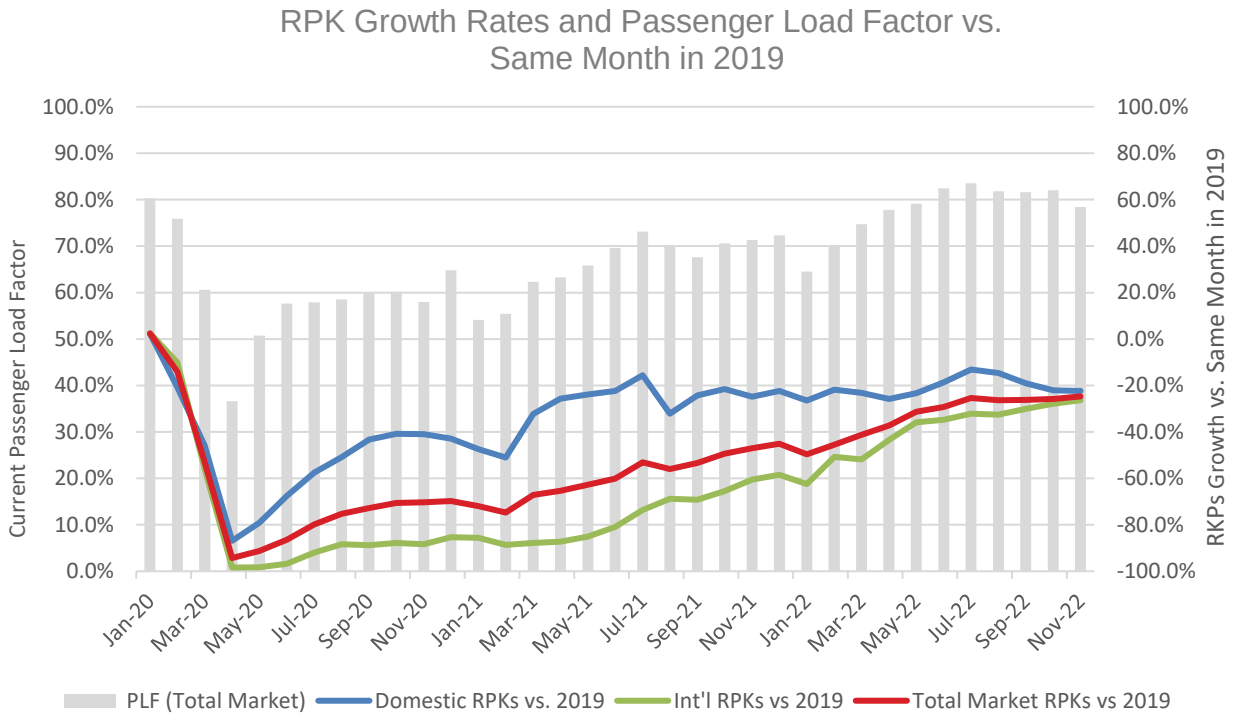
Passenger Traffic

Air traffic growth is measured by Revenue Passenger Kilometers (RPKs), the number of kilometers traveled by paying passengers, and has historically been a fundamental indicator of the health of the industry. Annual macroeconomic factors like Gross Domestic Product (GDP) growth and microeconomic metrics like the number of new aircraft orders have typically been highly correlated to RPK growth and retraction, as seen in the chart below. While 2018 marked the ninth consecutive year of above-trend growth in RPKs, all regions began retracting in 2019, with North America and Europe stagnating. GDP rates, too, had begun flattening in 2018 and shrank further in 2019, especially in advanced economies.



Sources: mba REDBOOK FLEET; Original Equipment Manufacturers (OEMs); International Monetary Fund (IMF); International Air Transport Association (IATA)

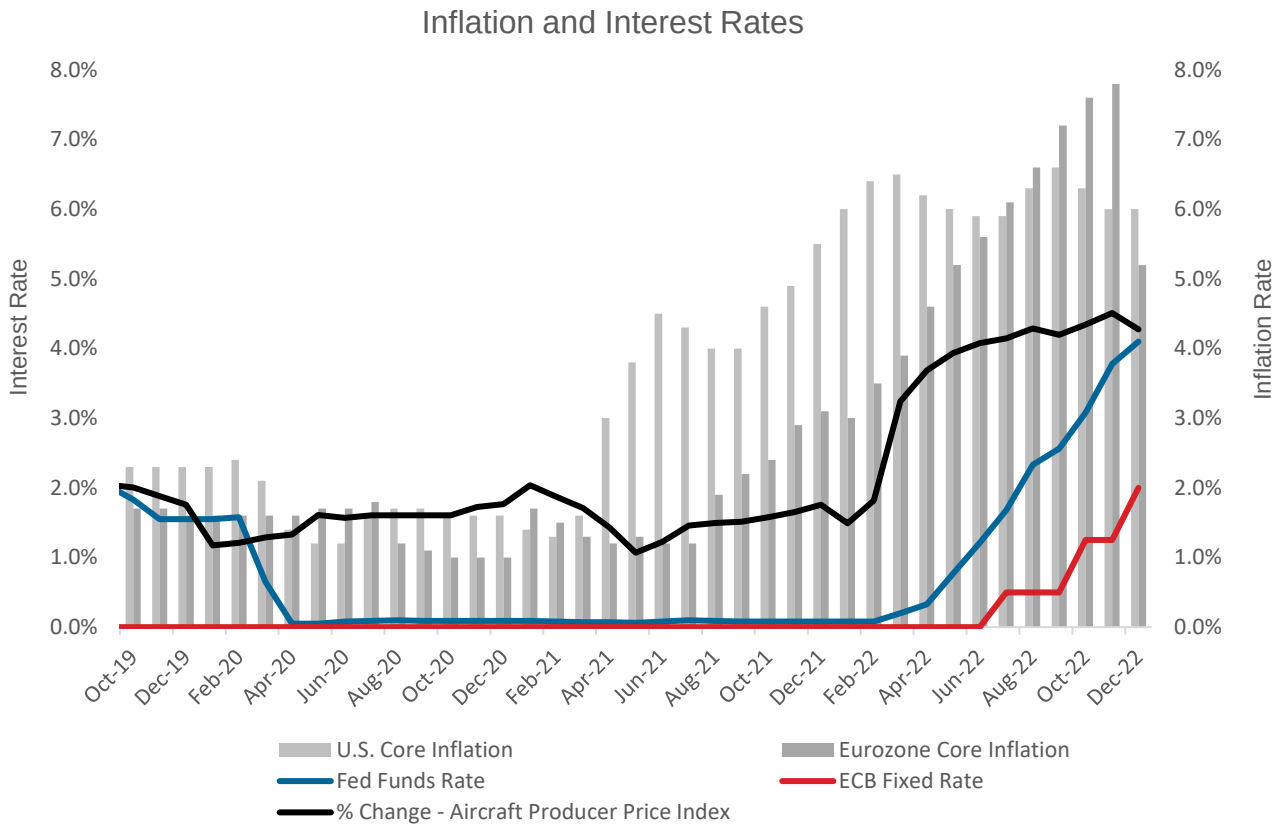
RPKs are also regularly analyzed alongside other airline monthly trailing indicators like Passenger Load Factors (PLF), a measure of how much capacity is filled, and Available Seat Miles (ASMs), which IATA defines as a measure of carrying capacity available to generate revenue. After the precipitous decline in all metrics after the onset of the COVID-19 pandemic in March and April 2020, RPKs, PLFs, and ASMs have grown in fits and starts vis-à-vis their figures in 2019. Both international and domestic RPKs still remain below pre-pandemic highs going into 2023. Even with easing travel restrictions and the reopening of routes, global RPKs are still not expected to return to 2019 levels until 2024 (IATA, Global Outlook for Air Transport).



Source: IATA

Macroeconomic Indicators

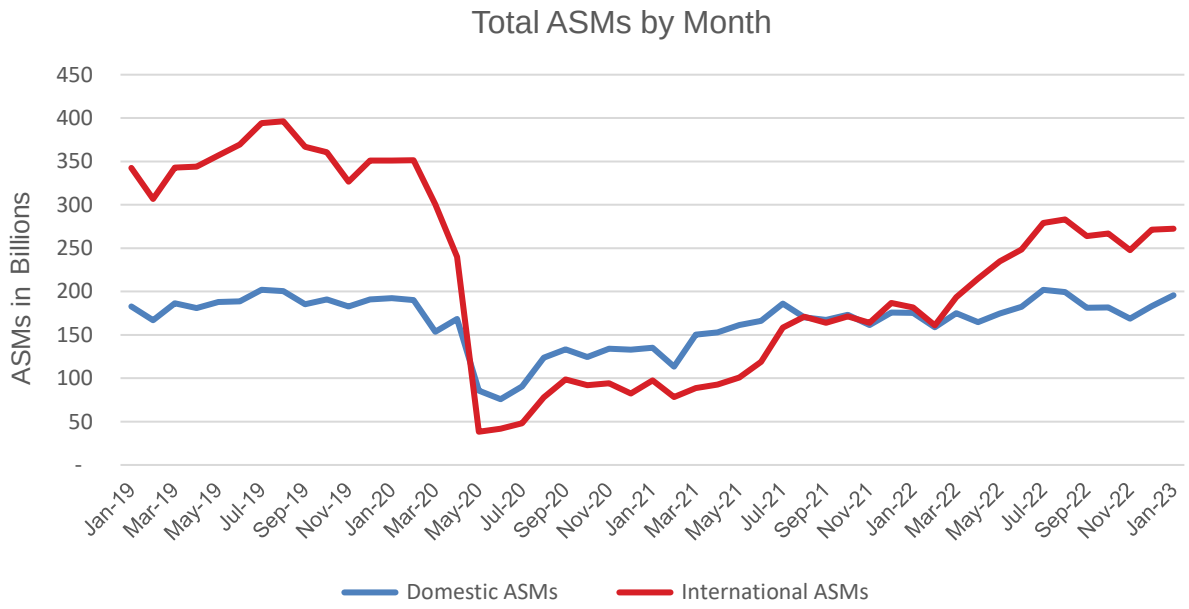
Air traffic strengthened throughout 2022, but interest rates rapidly increased as a result of high levels of inflation. mba continues to monitor inflation's impact on the industry and recognizes that it has temporarily influenced valuations in the near term. mba expects this trend to continue as inflation remains elevated. Whether this will result in a sustained effect on residual values for aircraft has yet to be determined. Furthermore, as inflation and interest rates rapidly rose throughout 2022, escalation costs on new aircraft, engines, and parts were affected. This is exemplified by the Aircraft Producer Price Index, which measures the average change over time in the selling prices received by domestic producers for their output (U.S. Bureau of Labor Statistics). The index saw stagnation in the latter half of 2022, providing hope that continual increases in interest rates will slow escalation costs and price increases for new deliveries.



Source: Federal Reserve Economic Data (FRED)

Air Traffic Recovery

mba expects a continual uptick in ASMs throughout 2023 as travel demand and capacity recover. However, it is still undetermined when both international and domestic ASMs will realize their previous 2019 highs. During the height of the pandemic in 2020 and 2021, mba conducted a study forecasting the expected recovery in both domestic and international ASMs. The 2021 study forecasted 2022 domestic ASMs would be 22.5% below 2019 levels and recover fully in 2024 while international ASMs would lag behind and reach pre-pandemic highs by 2026. However, with domestic ASMs showing a sharp rebound in 2021 and 2022 global domestic ASMs only 5.1% below their 2019 highs, according to OAG, mba now expects domestic ASMs to recover completely in 2023. mba's forecast projected 2022 international ASMs at 64.1% below 2019 highs, whereas the actual numbers were 33.3% below 2019 highs. Though the forecast indicated international ASMs well below their actual 2022 numbers, mba still foresees ASMs reaching their pre-pandemic highs well into 2025 and 2026.



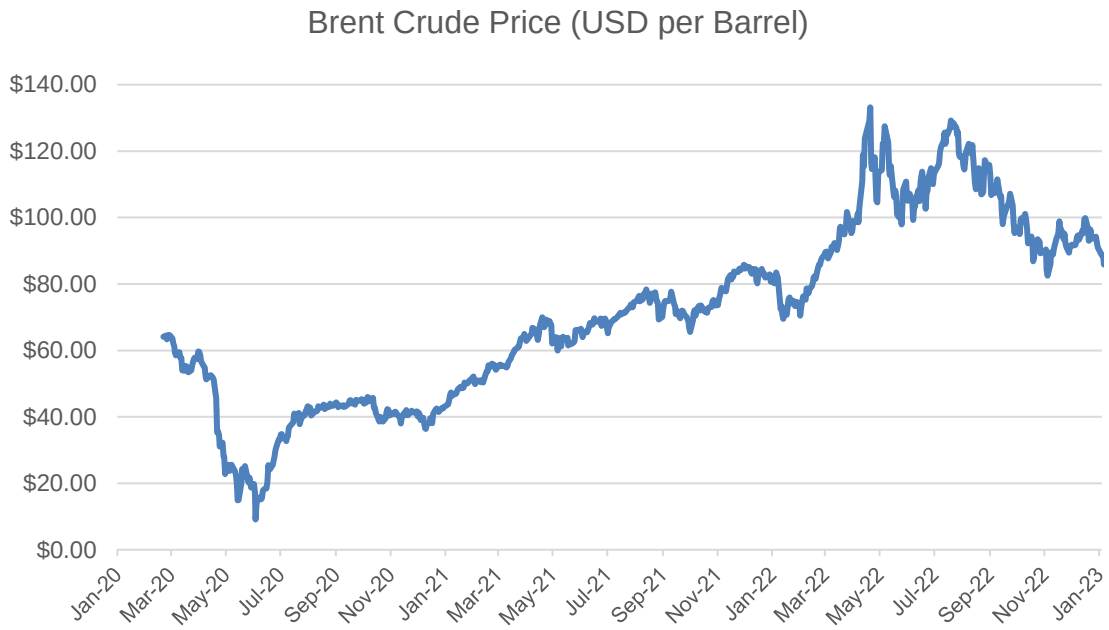
Source: OAG

The major headwind that could impact recovery would be softening travel demand due to a slowing economy in the West. The polarity in economic outlook between the Asia and Western nations could also be an influential factor for the strength of recovery heading into 2023. Asia has primarily lagged in air traffic as a result of strict testing and quarantine. However, there is currently little concern for an economic downturn in the region, as it has not needed to aggressively fight inflation like most western nations. If a downturn were to occur, aviation may also be better insulated as the industry has loosened its concentration and dependence on Western economies compared to the past.

Effects of Oil Prices on Aviation

Historically, oil prices have impacted airlines and industry stakeholders, as they typically constitute upwards of 20.0–30.0% of operators' total expenses. Previous spikes led OEMs to quickly introduce more fuel-efficient aircraft, while drops in fuel price have typically kept older aircraft in service longer. High and volatile fuel prices can have significant impacts on airlines' balance sheets and, in some cases, have been the final nail in a cash-strapped airline's coffin.

After a period of volatility between 2007 and 2011, oil prices remained over US$100.00 per barrel until the end of 2014, leading to the launch of the A320neo in December 2010 and the 737 MAX in mid-2011 as prices surged. Next generation widebodies, too, have been announced when oil prices are high, as the 787 was in 2004 when prices were climbing, and as the A330neo family was in July 2014, right at the tail end of another era of high oil prices. However, by January 2016, Brent Crude had fallen to a new 13-year low, dropping to US$26.00 per barrel. During this period, larger, older, less-efficient widebody aircraft were utilized in larger numbers, keeping residual values for such aircraft higher than one would expect in higher-fuel-price environments.



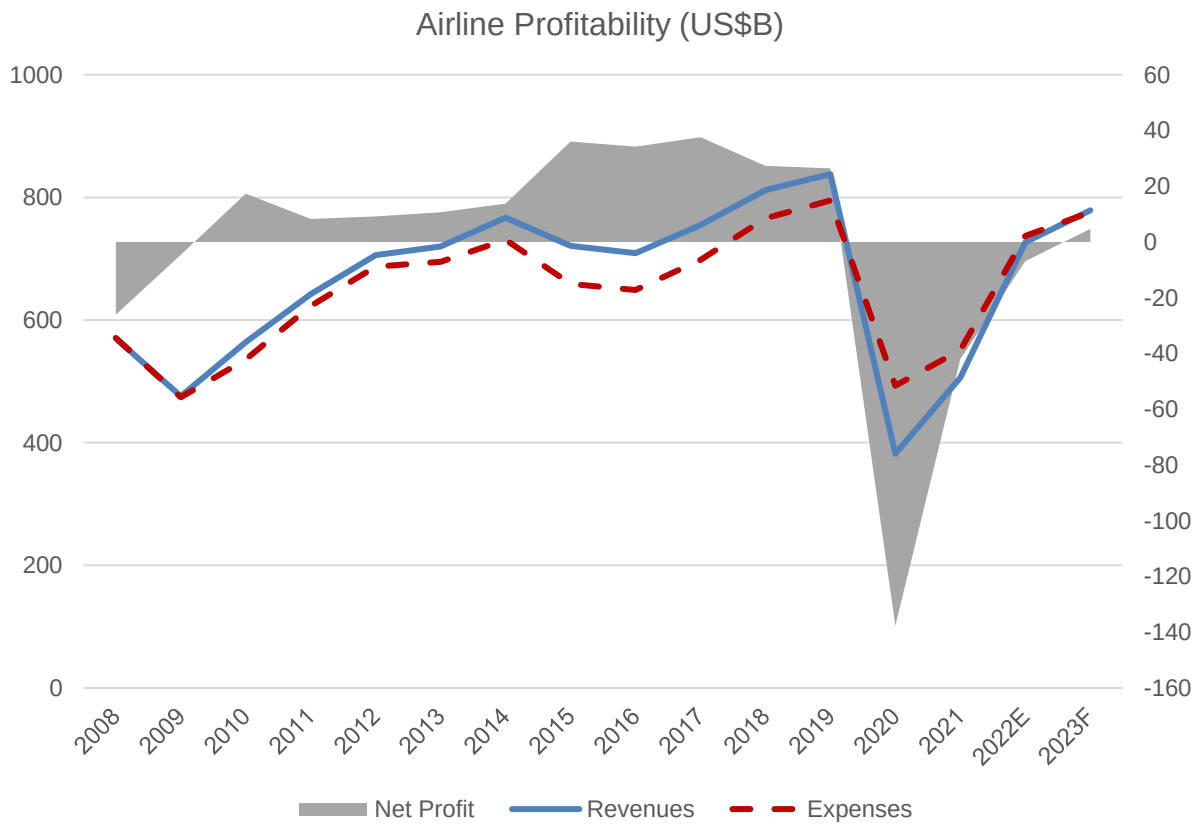
Source: EIA, www.eia.gov

Oil prices in 2020 briefly fell to new 20-year lows but have since rebounded strongly; in 2022, oil prices rose above US$120.00 per barrel for the first time since 2015. Prices are currently quite volatile and have been decreasing steadily since June 2022. As of January 2023, the price of oil was around US$80.00 per barrel. Furthermore, the outlook on prices is highly uncertain due to Russia's war on Ukraine limiting supply and OPEC holding back increasing output significantly. A potential recession in the West could further limit demand in the near term.

Industry Profitability

The airline industry experienced a decade of solid performance with revenues and positive net profitability between 2010 and 2019. Virtually grounded by COVID-19 in 2020, the airline industry suffered substantial loss in connectivity and the economic benefits it generates, resulting in a US$137.7 billion loss for the industry in 2020, followed by losses of US$45.1 billion in 2021. Forecasts for 2022 project that the recovery in the airline industry will continue but will likely end the year with a net loss of US$9.7 billion, followed in 2023 by a forecasted US$3.2 billion profitability.

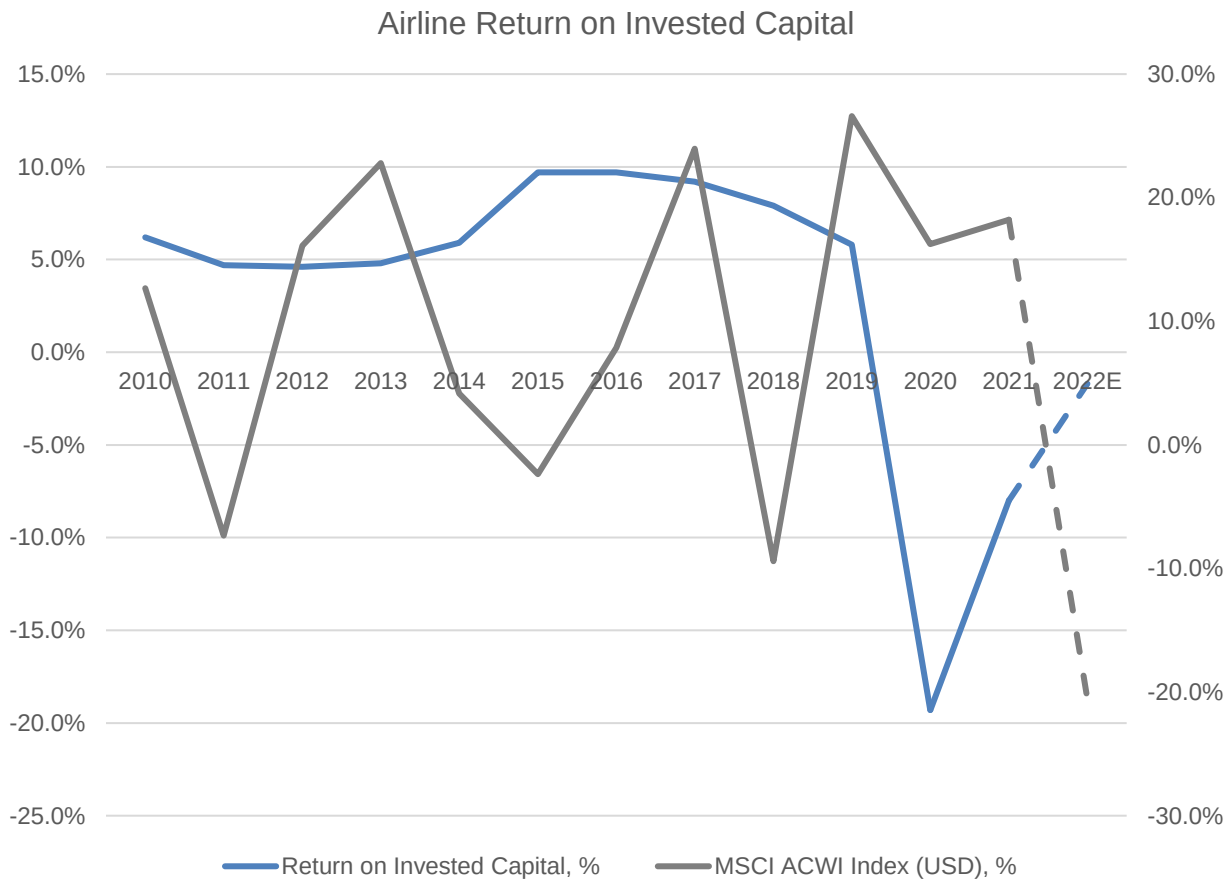
The graph below displays profitability numbers for the global airline industry as per IATA.



Source: IATA Industry Statistics Fact Sheet, IATA COVID-19 Impact Assessment, mba Analysis

Return on Invested Capital

Return on Invested Capital (ROIC) for the airline industry was -8.0% for 2021, a decline due to the COVID-19 pandemic but an increase from 2020's low of -19.3%. The stability in airline margins and ROIC leading up to 2019 was driven by a strong economy, allowing unit cost increases to be recovered through higher load factors and some rise in yields. The graph below presents airline industry ROIC as compared to annual returns for MSCI's ACWI index, which is a global equity index capturing both developed and emerging markets.



Source: IATA, MSCI (2022 Data)

VI. INTELLECTUAL PROPERTY TRANSACTIONS OVERVIEW

One of the largest intangible assets that an air carrier can maintain is its brand and intellectual property. An air carrier's right to utilize a trademark or other intellectual property allows it to operate without fear of another carrier utilizing the same mark and risking the reputation of the carrier. While few transactions exclusively involving intellectual property and an airline's brand exist, there have been past transactions that create a precedent for similar transactions to occur in the future.

In 2008, Southwest Airlines purchased America Trans Air (ATA) Airlines for US$7.5 million. The acquired assets included 14 slots at New York's LaGuardia airport, the ATA branding and trademarks, and the operating certificate for the airline.[9] Prior to the acquisition of the remaining assets of ATA, Southwest Airlines had a codeshare relationship with ATA. In the U.S., Virgin America was required to pay royalties to Virgin Group for the rights to utilize the "Virgin" brand on the carrier, and subsequently, with Alaska Airlines as owners of the carrier after the merger between Alaska Airlines and Virgin America was announced. Based on data filed with the Securities and Exchange Commission, Virgin America was subject to a 0.5% royalty on gross sales per quarter in 2015, a 0.7% royalty on gross sales per quarter in 2016, and after a date in which gross sales for the preceding four consecutive quarters exceeds US$4.5 billion, a 0.5% royalty on gross sales.[10]

In 2010, easyJet agreed to pay royalties of 0.25% of the carrier's total revenues to easyGroup after a court dispute with easyJet founder Stelios Haji-Ioannou over royalties and licensing of the "easy" brand. In exchange for the royalties, as well as an annual fee of GBP£300 thousand for a period of five years, Sir Stelios agreed to give up his right to appoint himself as a chairman of easyJet, as well as the right for easyGroup to represent on the board of easyJet. The minimum commitment for easyJet is ten years, with the right to utilize the "easy" brand for up to 50 years after execution of the agreement in 2010.[11]

Within the U.S., many mainline carriers contract with regional airlines to operate low-demand, short-haul routes using the mainline carrier's livery and name. These contracts are known as capacity purchase agreements, or CPAs, and allow regional carriers to enjoy the benefit of a fairly predictable revenue stream. In the 1990s, major European carriers such as Lufthansa, British Airways, and Iberia began providing regional carriers with their livery, trade secrets, and reservation and ticketing systems, as well as other services and intellectual property. In exchange, these regional carriers would pay a licensing fee back to the major carrier and operate flights using the regional carrier's own air operator's certificate while utilizing the network carrier's branding.[12] Recently, many of these carriers have moved away from the franchise model and have established wholly-owned subsidiaries.

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[9] http://investors.southwest.com/news-and-events/news-releases/2008/19-11-2008.
[10] https://www.sec.gov/Archives/edgar/data/1614436/000119312514365735/d761206dex1050.htm.
[11] https://corporate.easyjet.com/~/media/Files/E/Easyjet/pdf/investors/brand-licence-court-case/11-10-2010a-pr.pdf.
[12] Nicholas Denton and Nigel Dennis, "Airline franchising in Europe: benefits and disbenefits to airlines and consumers," *Journal of Air Transport Management* 6, no.4 (2000): 179-190.

The coronavirus pandemic has forced carriers to be inventive as they look to secure funds. In addition to the traditional collateral of aircraft and engines, airlines are increasingly pledging intellectual property and brands to raise funds. In June 2020, JetBlue Airways Corporation entered into a US$750 million Term Loan Credit Agreement secured by certain airport takeoff and landing slots and the right to use certain intellectual property assets comprising the JetBlue brand.[13] In July 2020, American Airlines entered into a Note Purchase Commitment Letter secured by certain intellectual property of the Company, including the "American Airlines" trademark and the "aa.com" domain name. In September 2020, Spirit Airlines contributed its brand intellectual property, its Free Spirit affinity credit card program, and its $9 Fare Club (now Spirit Saver$ Club) program assets and intellectual property to newly created entities. The loyalty assets are licensed on a royalty-free basis, while Spirit pays a license fee of 2.0% for the brand assets.[14]

In December 2020, GOL, Brazil's largest domestic airline announced a private placement of US$200 million backed by its intellectual property, including patents, trademarks, brand names, domain names, and certain spare parts.[15] In January 2021, Hawaiian Airlines issued senior secured notes of US$1.2 billion backed by its HawaiianMiles loyalty program and its Hawaiian brand intellectual property.

In October 2021, following distressed Alitalia's reorganization as Italia Trasporto Aereo (ITA), the newly organized entity acquired Alitalia brand and website domain for €90 million (US$104 million) on the eve of its first day of operations. While EU State aid rules required the new company to be sufficiently different from the previous one, requiring a rebranding of the restructured Alitalia into ITA, all the aircraft of the reorganized entity still carried Alitalia livery, requiring ITA to purchase Alitalia's brand in order to carry out operations. The purchase price for the brand was lower than the reported €290 million set as the base price by Alitalia to participate in the tender.[16,17]

[13] http://otp.investis.com/clients/us/jetblue_airways/SEC/sec-show.aspx?FilingId=14223861&Cik=0001158463&Type=PDF&hasPdf=1.
[14] https://www.moodys.com/research/Moodys-assigns-B1-corporate-family-rating-negative-outlook-to-Spirit--PR_431327.
[15] https://www.prnewswire.com/news-releases/gol-finance-prices-us200-million-of-8-senior-secured-notes-due-2026-301196621.html.
[16] https://www.flightglobal.com/strategy/ita-secures-alitalia-brand-but-appears-set-on-fresh-start/145939.article.
[17] https://simpleflying.com/ita-alitalia-brand/.

VII. VALUATION APPROACHES & METHODS USED

To arrive at the Conclusion of Value, mba considered three generally accepted approaches to valuation, namely: the Income Approach, the Market Approach, and the Cost Approach. The Income Approach seeks to convert future economic benefits into a present value. The Market Approach relies on values indicated by similar assets or comparable transactions. The Cost Approach is based on a comprehensive or all-inclusive analysis of the relevant cost components.

Income Approach

The Income Approach is based on the premise that the value of a security or asset is the present value of the future earnings capacity that is available for distribution to investors in the security or asset. Expected future earnings capacity can be measured by one of the various benefit streams, such as cash flows, net income, or earnings before taxes, and can be calculated on a debt-free or after-debt basis. Choice of a proper stream of benefits depends on various factors, such as the enterprise's capital structure and its line of business. The Income Approach typically requires entity-specific assumptions, which are evaluated in the context of marketplace assumptions.

Market Approach

The Market Approach relies on values indicated by similar assets or comparable transactions. Using the Market approach, the appraiser conducts a review of historical sale transactions and lease rates. Values for a subject asset are then derived based on comparable data. In the Market Approach, values may also be derived from discussions with knowledgeable market participants and regulatory agencies.

Cost Approach

The third considered approach to valuation is the Cost Approach. This approach is based on the economic principle of substitution, and the asset value is influenced by the cost to substitute or replace the asset. The Cost Approach considers a comprehensive definition of cost, which may include time, materials, and opportunity cost of creating the asset.

Valuation Approaches Chosen

In performing this valuation, mba deemed the Cost and Market Approaches not appropriate in this case because the cost to create a brand does not reflect its true economic value and there is not an adequate number of comparable transactions from which to draw a conclusion of value.

The Income Approach is the most common approach in the valuation of intangible assets. There are several methods a valuation analyst can use under the income approach to estimate the value of specific intangible assets. Some of the most common methods include Relief from Royalty, multi-period excess earnings (MPEEM), With-or-Without, and Greenfield.

These intangible asset valuation methods are applied in the following ways:[18]

- The Relief from Royalty method Determines value by reference to the hypothetical royalty payments that would be saved through owning the asset, as compared with licensing the asset from a third party.
- The MPEEM removes cash flows associated with the contributory assets with contributory asset charges, which reflect an economic rent for the use of the assets. Said differently, the MPEEM offsets positive cash inflows from contributory assets, as embedded in the operating margin of a business, by effectively subtracting the cash flow in the form of rents (cash outflow).
- The Greenfield method removes cash flows associated with the contributory assets in the form of investment dollars to build or buy the contributory assets. That is, the Greenfield method offsets positive cash inflows from the use of contributory assets, as embedded in the operating margin of a business, by effectively subtracting the cash flow in the form of up-front investments (cash outflow).
- The With-or-Without method estimates the fair value of an asset by comparing the value of the business inclusive of the asset to the hypothetical value of the same business excluding the asset.

Relief from Royalty is the most commonly used method for brand, intellectual property, and technology applications. Given the importance of the Subject Asset to the Subject Entity's revenue and the availability of an applicable royalty rate, mba determined the Relief from Royalty method was most appropriate.

Income Approach – The Relief from Royalty Method

Application of the Relief from Royalty method requires the preparation of a reliable forecast of the expected future financial performance of the Subject Entity. In this context, the Subject Asset's future financial performance is a reflection of the Subject Entity's future revenues, the royalty rate, and taxes, going forward indefinitely.

Forecasted cash flow must then be discounted to a present value using a Discount Rate that appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows. Finally, an assumption must be made regarding the sustainable long-term rate of earnings growth at the end of the forecast period, and the terminal or residual value of the remaining cash flows must be discounted back to a present value. The sum of the present values of the forecasted cash flows and the terminal value equals the value of the asset.

[18] https://www.oecd.org/tax/transfer-pricing/47426115.pdf.

Royalty Rate Determination

In determining this royalty charge, mba relied on industry knowledge and intelligence, comparable data points, its market expertise, and current analysis of market trends and conditions. The royalty rate analysis consisted of the following steps:

- Identification of comparable third-party license agreements for intellectual property;
- Evaluation of these agreements for comparability and selection of the most comparable licenses;
- Evaluation of the historical / forecasted profit margins generated by the Subject Entity; and
- Selection of appropriate royalty rates based on our consideration of select third-party agreements, relevant outlook, historical / forecasted margins, and brand recognition.

Royalty Savings Forecast

For the Relief from Royalty analysis, mba utilized forward-looking financial statements supplied by the Subject Entity's management team. In conjunction with the Client-supplied financial statements, mba ran an independent forecast of the Client's operations based on the Subject Entity's historical fleet, operating, and capacity data as well as mba's in-house knowledge of current and projected industry conditions. The mba forecast included an analysis of the Subject Entity's total revenue, which is the key driver of the Subject Asset's value. After review of the forecasted operational metrics and corresponding revenues provided by the Client and a comparison with mba's internal forecast, mba found the financial projections forecasted by the Client to be reasonable and achievable. Assumptions in the mba model include annual cost inflation rates, annual jet fuel price per gallon growth curve, passenger traffic and yield growth trends, and projected monthly aircraft lease rates.

Revenue Adjustments

The Client provided forward-looking financial statements from the Valuation Date through December 2027. The following are adjustments applied in this valuation:

- ROYALTY RATE CHARGE - mba applied a 2.3% royalty charge to the Subject Entity's forecasted total revenue to determine the future benefit stream.
- TAX RATE – mba assumed a corporate tax rate of 34.0% based on the Subject Entity's management forecast for the effective tax rate.
- TERMINAL GROWTH RATE – At the conclusion of the forecast period, mba applied a terminal growth model based on the forecasted 2027 cash flows. mba assumed a terminal growth rate of 4.6% to be appropriate considering the industry, business model, and regional consumer behaviors.

Discount Rate Estimation

The Discount Rate applied to the forecasted benefit stream and terminal value must adequately reflect the nature of the applicable investment and the risk associated with the underlying cash flows. Stated another way, the Discount Rate represents the total rate of return that an investor would demand given the level of risk associated with an investment. For purposes of this analysis, mba derived the Subject Entity's Weighted Average Cost of Capital (WACC). This reflects the return required by all providers of capital weighted by their relative contribution to total capital.

The after-tax Cost of Equity represents the return required by equity investors. mba considered two common methods of developing an appropriate Cost of Equity: the Buildup Method and the modified Capital Asset Pricing Model (CAPM). The Buildup Method starts with a risk-free rate of return and adds to it a number of identifiable risk factors. The modified CAPM is similar to the Buildup Method except that it requires the use of industry-specific beta information derived from similar public companies. For purposes of this Valuation Engagement, mba determined that the Buildup Method was appropriate for determining the Subject Entity's Cost of Equity.

The formula for the Buildup Method is $k_e = r_f + r_m + r_i + r_s + r_c$. The following definitions apply:

Cost of Equity Capital (k_e) - The return required by stockholders.

Risk-Free Rate (r_f) - The return on government securities with a term similar to that of the investment being valued.

Equity Risk Premium (r_m) - The additional return an investor expects in order to compensate for the additional risk associated with investing in equity securities instead of investing in a riskless asset; a measure of systematic risk.

Industry Risk Premium (r_i) - Unsystematic risk attributable to the industry in which the Subject Entity operates.

Size Premium (r_s) - Unsystematic Risk attributable to the widely acknowledged fact that smaller stocks, on average, are riskier than larger stocks and therefore require a greater return.

Specific Risk (r_c) – Unsystematic Risk attributable to a subject asset.

mba estimated the Subject Entity's Cost of Equity through the build-up method in the table below:

COST OF EQUITY

RISK-FREE RATE	3.50%
EQUITY RISK PREMIUM	6.00%
INDUSTRY RISK PREMIUM	3.00%
SIZE PREMIUM	3.62%
SPECIFIC RISK	0.00%
ESTIMATED COST OF EQUITY CAPITAL (AFTER-TAX)	**16.12%**

The after-tax Cost of Debt represents the return required by debt investors on long-term interest-bearing debt.

The formula for the after-tax rate of return is $k_d = k \times (1-t)$. The following definitions apply:

Cost of Debt (k_d) - The return required by debt investors.

Pre-tax Cost of Debt Capital (k) - Pre-tax cost of debt capital based on the yield of corporate bonds with a rating similar to that of the investment being valued.

Effective Income Tax Rate (t) - The percent of income that a corporation pays in taxes.

mba estimated the Subject Entity's Cost of Debt in the table below:

COST OF DEBT

PRE-TAX COST OF DEBT CAPITAL	13.30%
EFFECTIVE INCOME TAX RATE	34.00%
ESTIMATED COST OF DEBT CAPITAL (AFTER-TAX)	**8.78%**

The risk factors used in the Buildup Method are individually computed and are intended to be independently additive and non-overlapping in their measurement of risk. The selected risk-free rate of return is the KROLL Normalized Risk-Free Rate. mba did not compute the risk premium factors and instead relied on the KROLL Cost of Capital Navigator in determining the Equity Risk Premium, Size Premium, and Industry Risk Premium. For the Industry Risk premium, mba observed the measures for GICS 203020 – "Airlines." This is the GICS classification for marketing businesses that mba views as a reasonable proxy for intellectual property assets, such as the Subject Asset. Specific risk is a matter of professional judgment and deals with the risk of a particular asset or company. We believe 0.0% is appropriate as the airline has a sound, diversified business strategy. The cost of debt for a company with ratings similar to the Subject Entity at the time of this valuation is estimated at 13.3%. Using the industry-observed capital structure of 66.0% debt to 34.0% equity, mba calculated the WACC to be 11.3%.

VIII. CONCLUSION OF VALUE

The following summarizes mba's Conclusion of Value of the Subject Asset as of the Valuation Date.

CONCLUSION OF VALUE (R$ M)

AZUL BRAND INTELLECTUAL PROPERTY VALUE	R$5,000.4

The Conclusion of Value was prepared solely for the purpose described in this Valuation Report and should not be used for any other purpose. The Conclusion of Value is subject to the Statement of Assumptions & Limiting Conditions found in Section X and the Representation of the Valuation Analysts found in Section XI.

IX. RISK FACTORS

The Conclusion of Value was determined assuming key factors affecting the value, including the economic, competitive, and financing environments. In the event any of these key factors affecting materially diverge in the future from mba's assumptions, mba's valuation results would be expected to change accordingly. Several of the major risks associated with these valuations are outlined below.

Regulatory Risks

mba's Conclusion of Value is based on the regulatory environment remaining in its currently expected state. In the event regulatory changes are adjusted, the Conclusion of Value expressed in this Valuation Report could change significantly as market share and market size change within the Subject Entity's operations.

Economic Risks

mba's valuation is based on current economic conditions regarding global and regional economies. As stated earlier in the report, demand for air transport services is highly cyclical and is strongly correlated with economic trends. Therefore, a downturn in the global economy could have a negative impact on demand for passenger travel. Likewise, increased prosperity would have a positive effect on personal incomes, causing a rise in passenger traffic. As the air transport industry experiences these variances, the value of the Subject Entity could vary accordingly.

Competitive Risks

While the Subject Entity is in a strong position within its niche, the competition within the low-cost sector is fairly high. Consolidation in the airline industry and other actions by competitors could impact the Subject Entity.

Revenue Risks

mba's valuation assumes that the Subject Entity will be able to meet or exceed its revenue forecast. If the Subject Entity does not attain or maintain, it could impact mba's valuation.

Reputation Risk

The Subject Entity relies heavily on its long-term reputation, tied to the brand name, for revenue. The profitability of the Subject Entity, and therefore the valuation, could be adversely impacted due to damage to the brand's reputation.

Cyber-Security Risks

The Subject Entity's value is tied to its use of technology as a value driver. Strategic initiatives, such as outsourcing, use of third-party vendors, cloud migration, mobile technologies, and remote access, are used to drive growth and improve efficiency but also increase cyber risk exposure. If the Subject Entity is exposed to a cyber attack or data breach, there is a risk of damage and destruction of data or monetary loss, including theft of intellectual property, productivity losses, and reputational harm.

Other Risks

There are several other risks to the valuation expressed herein, including but not limited to the threat of terrorist attacks, natural disasters, and pandemic illness, such as the outbreak of Coronavirus, the H1N1 virus (swine flu), SARS, or bird flu.

X. STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

1. The Conclusion of Value arrived at herein is valid only for the stated purpose as of the Valuation Date.

2. Financial statements and other related information provided by the Subject Entity or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. mba has not audited, reviewed, or compiled the financial information provided to us and, accordingly, expresses no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources mba believes to be reliable. However, mba makes no representation as to the accuracy or completeness of such information and has performed no procedures to corroborate the information.

4. mba does not provide assurance on the achievability of the results forecasted by the Subject Entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

5. The Conclusion of Value arrived at herein is based on the assumption that the current level of management expertise and effectiveness will continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. The Valuation Report and its Conclusion of Value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The Conclusion of Value represents the considered opinion of mba, based on information furnished to mba by the Subject Entity and other sources.

7. The Valuation Report and its Conclusion of Value will not be disseminated by the Subject Entity or by any of its agents to other firms considered to be competitors to mba in the airline route valuation field without the prior express written approval of mba.

8. Future services regarding the subject matter of this Valuation Report, including but not limited to testimony or attendance in court, shall not be required of mba unless previous arrangements have been made in writing.

9. mba has not determined independently whether the Subject Entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. mba's valuation takes no such liabilities into account, except as they have been reported to mba by the Subject Entity or by an environmental consultant working for the Subject Entity, and then only to the extent that the liability was reported to mba in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to mba, mba has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. No change of any item in this Valuation Report shall be made by anyone other than mba, and mba shall have no responsibility for any such unauthorized change.

11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the Subject Entity due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

12. mba has corresponded with the current management of the Subject Entity concerning the past, present, and prospective operating results of the Subject Entity.

13. mba has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

XI. REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the Valuation Date, to the best of mba's knowledge and belief, that:

- The analyses, opinions, and Conclusion of Value included in the Valuation Report are subject to the specified Assumptions and Limiting Conditions and are the personal analyses, opinions, and Conclusion of Value of the valuation analyst.
- The valuation analyst is unrelated to the Subject Entity and has no current or expected interest in the Subject Entity or its assets.
- The Valuation Report was prepared for the purpose stated therein. The Valuation Report is not intended to be and should not be used for any other purpose.
- The valuation analyst has no obligation to update the Valuation Report or the Conclusion of Value for information that comes to his or her attention after the Valuation Date.
- The valuation analyst's compensation for the Valuation Engagement is in no way contingent on the outcome of the valuation.
- This report represents mba's opinion as to the value of the Subject Asset and is intended to be advisory only and is not given for or as an inducement for any specific financial transaction. Therefore, mba assumes no financial responsibility or legal liability for decisions or actions taken or not taken by the Subject Entity or any other party with regard to the Subject Asset. mba accepts no responsibility for damages, if any, claimed by a third party as a result of decisions or actions taken based on the information contained in this report. By accepting this report, all parties agree mba shall bear no such responsibility or legal liability. mba consents to the use of this appraisal report as required by the terms in the indenture.

PREPARED BY:

Anala Ravinarayan
Director | Airline & Airport Services
mba Aviation

April 28, 2023

REVIEWED BY:

Anne Agnew Correa, CVA
Senior Vice President | Airline & Airport Services
mba Aviation

ANNEX D: APPRAISAL REPORT OF THE AZUL CARGO BUSINESS

Valuation of:
Azul Cargo

Client:
Azul S.A.

Date:
June 5, 2023

Headquarters:

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I. VALUATION SUMMARY

SUBJECT ENTITY	Azul Cargo Business
NUMBER OF EMPLOYEES	Approximately 13,000 (Azul S.A.)
PURPOSE OF VALUATION	Financing or Refinancing Transactions
STANDARD OF VALUE	Fair Market Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	February 23, 2023
VALUATION APPROACHES	Income Approach
VALUATION METHODS	Discounted Cash Flow
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	R$6,677,864,000

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation (mba) was engaged by Azul S.A. (herein referred to as Azul, the "Client," or the "Company") to estimate the value of the of the Company's cargo enterprise, Azul Cargo ("the "Subject Entity") as of February 23, 2023 (the "Valuation Date"). mba understands the Conclusion of Value will be for the Subject Entity's Enterprise Value.

It is understood by mba that the Conclusion of Value may be used by the Client in connection with potential financing or refinancing transactions. mba understands that this report may be provided to agents, lenders, noteholders and other parties in connection with any such transaction. This Valuation Report was prepared solely for the purpose described in this paragraph and, accordingly, should not be used for any other purpose. This Report should not be distributed to any party other than the Client or the agents, lenders, noteholders, and other parties in connection with any such transaction without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Entity as of the Valuation Date. For the purpose of this valuation, historical financials and other information covering the results of the Subject Entity's operations were used, including estimates provided by the Subject Entity for operations through the Valuation Date. It is mba's understanding that this information represents the most complete and reliable financial information available as of the Valuation Date. In this valuation, mba considered only circumstances that existed as of, and events that occurred up to, the Valuation Date.

Standard & Premise of Value

Two important concepts mba considered before beginning this engagement were the applicable Standard of Value and Premise of Value. Standard of Value deals with the definition of value or the type of value being proffered. Numerous Standards of Value exist and may be applicable for a particular valuation, depending on the purpose of that engagement. For this valuation, the applicable Standard of Value is Fair Market Value.

The IRS defines Fair Market Value as:

> *The price at which property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.*

Premise of Value deals with the "how" in a transaction. The valuation premise may be either in-use or in-exchange, with the determining factor being the highest and best use as considered from a market participant's perspective. In this case, the Conclusion of Value is based on an in-use valuation premise of Going Concern, which assumes that the Subject Entity will continue to operate into the future.

Scope of the Valuation Engagement

In *Revenue Ruling 59-60*, the IRS set forth the following factors to consider in the valuation of a closely held business. mba has considered each of these factors in this valuation.

- The nature of the business and the history of the enterprise from its inception;
- The economic outlook in general and the condition and outlook of the specific industry in particular;
- The financial condition of the business;
- The earning capacity of the business;
- The dividend-paying capacity; and
- Whether or not the enterprise has goodwill or other intangible value.

mba's scope of work included but was not necessarily limited to the following:

- Discussions with management concerning the assets, financial and operating history, and forecasted future operations of the Subject Entity;
- Analysis of historical financial statements and other financial and operational data concerning the Subject Entity;
- Research concerning the Subject Entity, its financial and operating history, the nature of its products, services, and technologies, and its competitive position in the marketplace;
- Research and analysis concerning comparable public companies and transactions involving comparable companies;
- Research and analysis on the industry segment in which the Subject Entity operates;
- Research and analysis on current economic conditions and the outlook for the Latin American and global economies; and
- Analysis and estimation of the value of the Subject Entity as of the Valuation Date.

Sources of Information

The principal sources of information utilized in conducting this analysis were as follows:

- Interviews with Subject Entity;
- Internal financial statements for the years ending December 31, 2019, through 2022;
- Forecasted financial statements prepared by the Subject Entity;
- OAG Schedules Data;
- Subject Entity Presentation;
- Subject Entity's website and press releases;
- Statistics, studies, forecasts, and articles regarding the industry in which the Subject Entity operates and the economic environment;
- mba's internal data and values for the assets held by the Subject Entity; and
- Other industry news sources and internet research.

Financial and other pertinent information provided to mba by the Subject Entity has been accepted without further verification. mba did not audit, review, compile, or attest under the AICPA Statements on Standards for Attestation Engagements (SSAEs) to any financial information derived from those sources, and mba, therefore, assumes no responsibility for any such financial information.

Refer to Section XI for a complete list of Assumptions & Limiting Conditions applicable to this Valuation Report. Certain specific assumptions and limiting conditions may be cited in the body of this report.

III. SUBJECT ENTITY OVERVIEW

Nature, Background & History[1] [2]

Azul Cargo is Brazil's largest cargo network servicing over 90.0% of Brazil's population across 4,500+ cities door-to-door. Azul Cargo generates revenue primarily from the air transportation of goods through freighters and cargo hold space on passenger aircraft. Employing the use of both freighters and passenger cargo hold space to transport cargo, allows for low variable costs. Approximately 80.0% of ATKs come from utilizing the belly space of passenger aircraft.

Azul's cargo operation is headquartered in Sao Paulo. Azul Cargo is the only domestic carrier in Brazil to offer integrated ground and air logistics solutions. On average, Azul Cargo can provide shipping times 75.0% more quickly than ground transport, shipping to 2,500 zip codes in 48 hours or less. Azul Cargo is the only domestic logistics provider with an integrated road and air solution.

Cargo flows are unidirectional. This characteristic is a key determinant in the structure of cargo operations and is especially relevant in markets featuring structural imbalances between inbound and outbound flows or during specific periods of disequilibrium. A lack of demand in one direction may force reliance on different markets to maximize loads on return flights. In recent years, Azul Cargo has successfully grown its business model by capturing the growth of e-commerce sales in the Brazilian market, transitioning to next generation aircraft with larger belly spaces that capture more ground transportation markets, thus expanding the Azul Cargo network and maximizing asset utilization.

Strategy[3]

The Subject Entity has demonstrated high growth in the logistics and freight industry in Brazil and is well positioned to capture the continued growth anticipated in the region. From 2019–2022, Azul Cargo's share of the Brazilian market increased from 19.0% to 33.0%. The translation of a larger market space has resulted in net revenues growing by 153.0% from 2019–2022.

[1] Azul's 2022 20-F.
[2] Azul Data Provided by Client.
[3] Azul Data Provided by Client.

Azul Cargo and Azul S.A are currently expanding cargo capacities by undergoing a fleet transformation. Utilizing next generation aircraft and diversifying the fleet has the potential to triple the current belly cargo capacities. The transition from E1-195 to E2-195 should aid the attainable revenue from increasing market share. E2-195 aircraft have increased carrying capabilities in comparison to the E1-195. In terms of volume, the E2-195 can carry 53 cubic meters (M^3) of cargo in comparison to the E1-195, which can carry 23 M^3 of cargo. In terms of tons of cargo, E2-195 aircraft can carry 11 tons versus the E1-195, which can carry 3 tons of cargo.[4] Expanding fleet capacity capabilities and diversifying the cargo fleet are key drivers to allow additional service to the domestic cargo market in Brazil.

Another driver for future growth opportunities is the rapid adoption of e-commerce in Brazil. By the end of 2023, Brazil is expected to be the tenth largest market for e-commerce sales with projected revenue of US$48,242.1 million. Brazil's e-commerce market is also quickly expanding with a projected 14.6% CAGR growth rate for revenue from 2023–2027.[5] The Company positions itself well to serve the rapid adoption of e-commerce markets. This is due to providing a superior product to ground transportation through end-to-end ground and air logistics that will serve Brazilian markets with a larger reach and shorter delivery times than ground services competitors can provide.

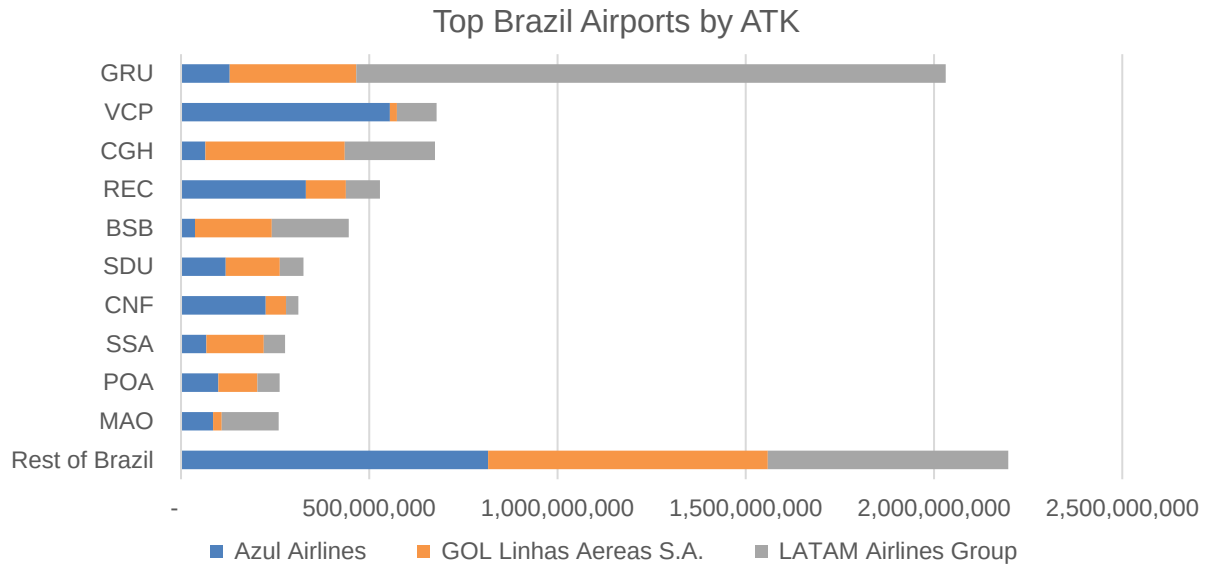
[4] Azul Logistics Business Report Q3 2022.
[5] https://ecommercedb.com/markets/br/all.

Competition

There are multiple providers of air cargo service across Brazil, but Azul Cargo is the largest domestic provider. The chart below shows the market share of Brazilian air cargo by freight ton.

Sources: OAG Schedules Analyzer, mba Aviation Analysis.

In 2022, Azul grew its market share to 39.7% of the freight tons available. GOL has grown its share to 32.2% while LATAM has declined to hold 25.8%. The domestic market has seen a 3.3% compounded annual growth rate from 2018 to 2022 driven in large part by the growth of the e-commerce market. There has been consolidation in recent years in parallel with new entrants eager to capture the forecasted growth in the high-margin e-commerce industry. As of now, GOL and LATAM are the largest competitors for Azul in the air cargo space. The chart below shows the market share by competitors at the top airports for air cargo.



Sources: OAG Schedules Analyzer, Data for Full Year 2022, mba Aviation Analysis.

Management Team

As of the Valuation Date, the Subject Entity had a management team in place who collectively possessed a significant amount of expertise within the aviation and cargo industries and who mba believes is well qualified to achieve strategic and financial goals. A description of the management team is presented below as of the Valuation Date.

	SUBJECT ENTITY MANAGEMENT
IZABEL REIS ***DIRECTOR OF AZUL CARGO***	Ms. Izabel Reis currently serves as the Director of Azul Cargo, Azul S.A.'s air and ground cargo business unit. Ms. Reis joined Azul Cargo in 2009. Prior to her time at Azul, Ms. Reis worked at Oceanair as a Traffic Manager from 2007–2009. She also held a position as a regional manager at VARIG Airlines where she was employed from 1985–2007. Ms. Reis hold an MBA in supply chain and logistics management from Fundação Dom Cabral.
JOHN RODGERSON ***CHIEF EXECUTIVE OFFICER***	Mr. John Rodgerson is the Chief Executive Officer of Azul S.A. Mr. Rodgerson worked with David Neeleman on the original business plan for the incorporation of the Company and is one of its founding members. Mr. Rodgerson also served as Planning and Financial Analysis Officer at JetBlue Airways from 2003 to 2008. He previously worked for IBM Global Services from 2001 to 2003. He holds a bachelor's degree in Finance from Brigham Young University.
ALEXANDRE MALFITANI ***CHIEF FINANCIAL OFFICER & INVESTOR RELATIONS OFFICER***	Mr. Alexandre Malfitani is the Chief Financial Officer and Investor Relations Officer. Previously, Mr. Malfitani was the head of TudoAzul loyalty program and the Finance and Treasurer Officer. Mr. Malfitani joined the Company in 2008 as one of the airline's founding members. Before joining the Company, Mr. Malfitani worked at United Airlines in Chicago, in several leadership positions, including general treasury officer. Mr. Malfitani has an MBA with honors from the Kellogg School of Management and a bachelor's degree in engineering from Universidade de São Paulo. He is also a Chartered Financial Analyst (CFA).
ABHI SHAH ***CHIEF REVENUE OFFICER***	Mr. Abhi Shah has been the Chief Revenue Officer since September 5, 2014, and is one of the founding members of the Company. Before joining the team, he worked at JetBlue Airlines from 2004 to 2008 and at Boeing from 2000 to 2004. On October 5, 2022, Mr. Shah was elected President of Azul S.A.'s operating subsidiary, Azul Linhas Aéreas Brasileiras S.A., in addition to serving as President of the subsidiary ATS Viagens e Turismo Ltda. since July 2017. Mr. Shah holds a bachelor's degree in aerospace engineering from the University of Texas and a master's degree in Aerospace Engineering from the University of Washington.

Services, & Customers

The Subject Entity offers a wide range of cargo products and services. Products and services include distribution for e-commerce with a “door-to-door” express delivery service, shipment of critical orders, and consolidated loads. Utilizing an integrated network consisting of air and road transport, the Subject Entity is able to serve 4,500+ cities with 300+ stores across Brazil. Azul S.A. has recently expanded to offer international routes, and with that expansion, the Subject Entity now offers services to the United States, Argentina, Portugal, and Uruguay.

Fleet

As of September 2022, Azul Cargo’s fleet consisted of seven freighter-dedicated aircraft and numerous other aircraft that can be rapidly converted from Azul S.A. to serve cargo operations for the Subject Entity. The dedicated fleet was comprised of two Boeing 737-400SFs and five Embraer E-195 Class Fs. In addition, Azul Cargo typically utilizes five quick-change ATR 72-600s, as well as E2-195s and Cessna Caravans for regional freighting operations. The Subject Entity also provides its services by transporting cargo in the bellies of passenger aircraft for Azul S.A.

IV. FINANCIAL STATEMENT ANALYSIS

Revenue

The Subject Entity weathered the COVID-19 pandemic extremely well and was able to sustain rapid revenue growth as the Brazilian Air cargo market rapidly expanded. The Subject Entity's revenues grew at an average annual rate of 37.5%. In 2022, revenue from freighter operations increased 13.8% from 2021 and revenue from passenger aircraft bellies grew by 14.2%. The Subject Entity has recently entered a partnership with Amazon, which is expected to accelerate growth.

Expenses

The primary expenses are direct costs associated with the freighter operation including fuel costs, labor costs, maintenance costs, handling costs, and landing fees. These costs are grouped as "Transfer" costs, which represent the remuneration that Azul Cargo pays to Azul Airlines as a fee for being the exclusive cargo carrier on Azul passenger flights. Additionally, Azul Cargo has a large portion of costs also associated with their ground operation. These costs include labor costs and handling costs associated with directly transporting cargo on the ground. Selling and general and administrative expenses consist of Agency fees and IT services expenses.

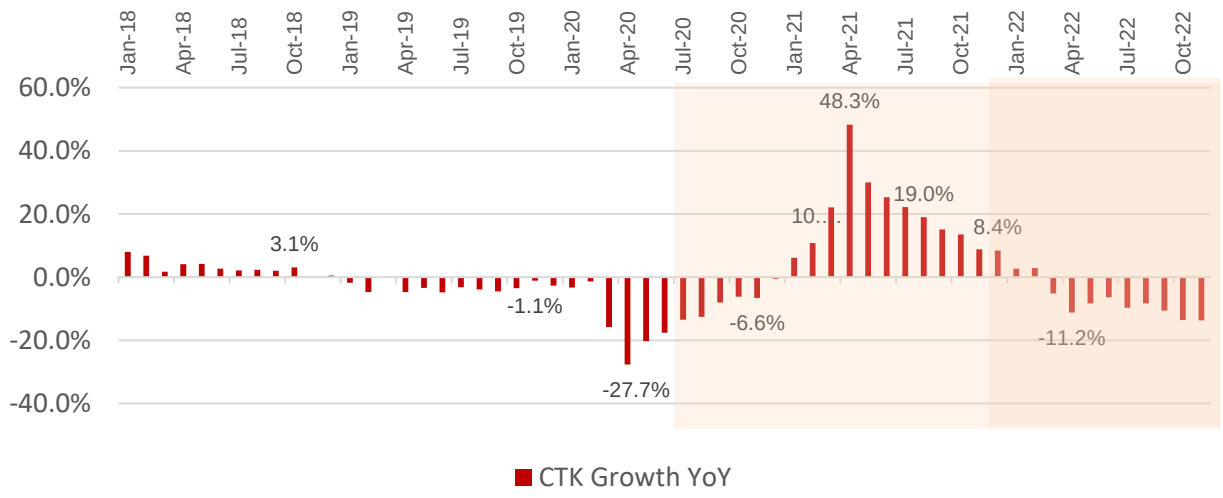
V. AIR CARGO MARKET OVERVIEW

An essential consideration in any appraisal is the condition of the market at the time the valuation is rendered. The following content defines prevailing conditions and highlights major factors currently influencing freighter traffic and opportunities.

Freighter Traffic

Although passenger air traffic suffered staggering blows across all segments at the onset of the COVID-19 pandemic, the air cargo market experienced an upward swing. This was initially due to the lack of available belly cargo space on passenger flights but also due to increased need for express shipment of medical and other essential supplies as well as growing e-commerce demand. April 2020 was the nadir for all air traffic in the pandemic era, ceasing virtually all air traffic as authorities attempted to understand the situation and establish protocols, but cargo air traffic picked up immediately thereafter.

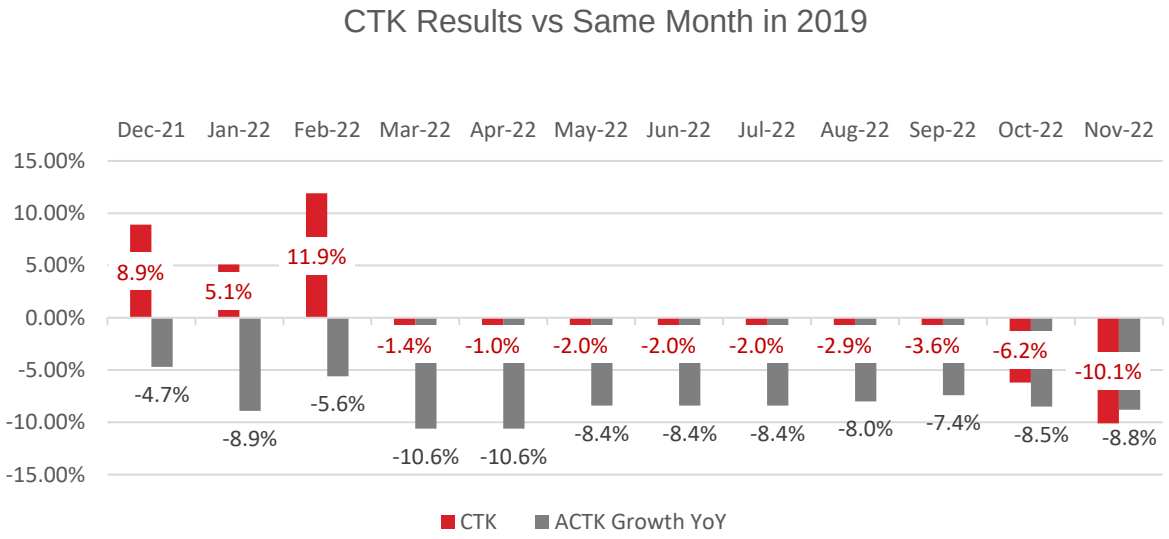
One of the fundamental indicators of market health is the growth in Cargo Tonne Kilometers (CTKs),[6] a measurement of the weight in metric tonnes multiplied by the distance in kilometers of cargo an operator has carried. Data from the International Air Transport Association (IATA) Air Cargo Market Analysis shows that after a strong 2017, early 2018 exhibited signs of softening growth. Data shows that the market went from slowed growth to a continuous decline, as CTK year over year (YoY) dropped every month of 2019. Yet, while CTKs plummeted at the onset of the pandemic in March and April 2020, the cargo sector saw robust improvement in 2021, with monthly CTK levels higher than ever; however, 2022 saw declines in CTK growth throughout the year.



Source: IATA Air Cargo Market Analysis

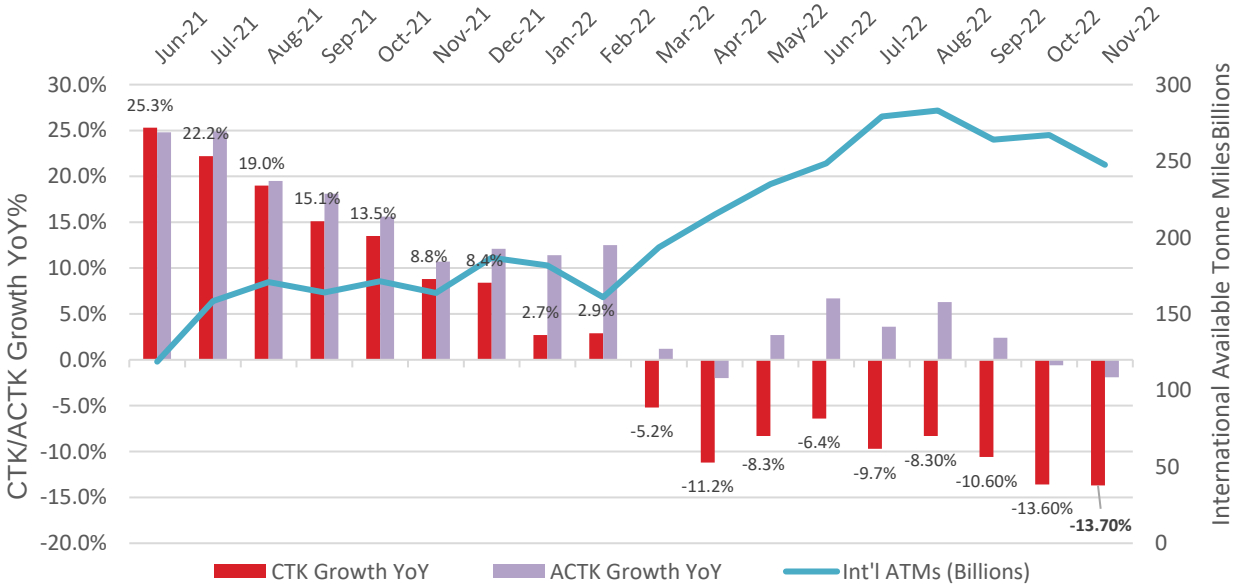
[6] As of January 2020, IATA has changed its terminology from 'Freight' to 'Cargo' (the corresponding metrics being changed from FTK, AFTK, and FLF to CTK, ACTK, and CLF, respectively), in order to reflect that the series have been consisting of Cargo (Freight plus Mail) rather than Freight alone.

The chart below shows growth in demand and capacity in 2022 compared to 2019, as measured by Available Cargo Tonne Kilometers (ACTKs) and CTKs. 2022 was marked by a simultaneous retraction in cargo demand and capacity growth, showing a persistent retraction in activity in the global air freight market.



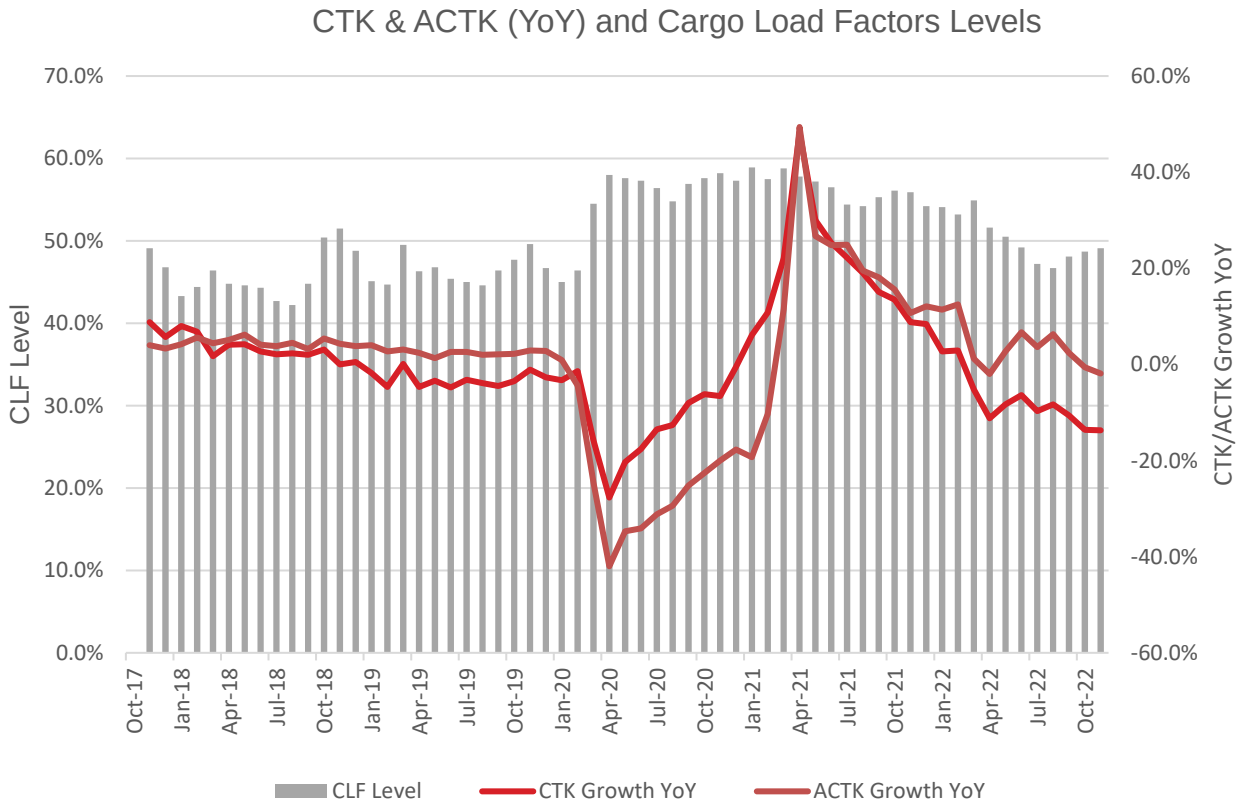
Source: IATA Air Cargo Market Analysis

CTK growth YoY declined throughout most of 2022 due to a retraction in global trade activity among inflationary pressures, though capacity, as measured by ACTKs grew in line with improvements in international passenger traffic and belly cargo, which are measured in Available Tonne Miles (ATMs). The current weakened economic drivers and operational disruptions, mainly related to the limiting of household spending in an inflationary environment and the war in Ukraine, have caused significant uncertainty for air cargo operations.



Source: IATA Air Cargo Market Analysis

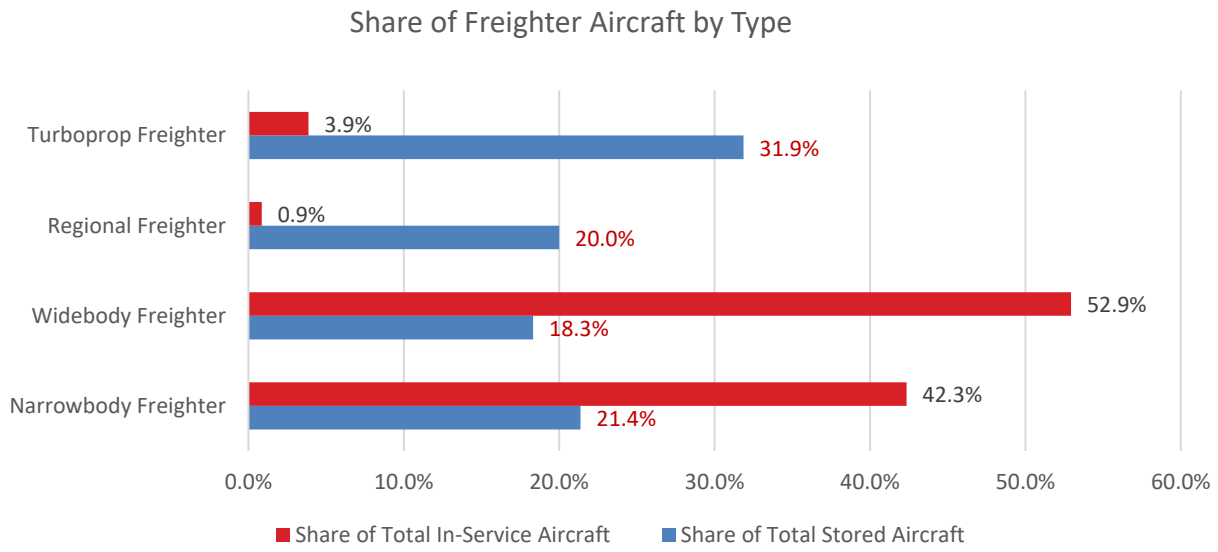
The loss of freight carried by passenger aircraft was the principal driver of early pandemic-era capacity decline. Historically, ACTK and CTK growth have been highly correlated, indicating whether there is over- or under-capacity in the market. Data from IATA shows that freight demand was already increasing significantly by May 2020 and continued to outstrip supply appreciably before finally rebounding in 2021 and declining throughout 2022. Cargo loads, calculated by IATA in Cargo Load Factor (CLF) percentages, were up sharply in 2020 and 2021 but have declined in 2022. While this points to some softening in demand, it must also be noted that IATA measures CLF by weight, which some argue falsifies the situation, as e-commerce tends to take up more volume and less mass than traditional cargo.



Source: IATA Air Cargo Market Analyses

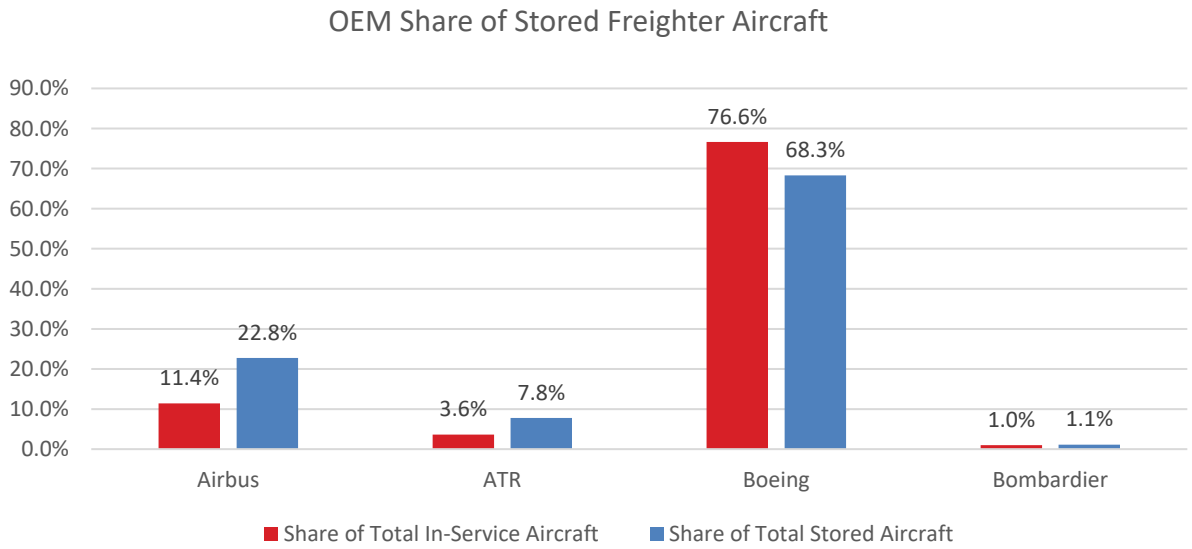
Cargo Fleet

Dedicated air cargo is clearly vital to the global economy in the current era. According to mba's REDBOOK FLEET, as of January 2023, 20.2% of all cargo aircraft are parked—21.4% of narrowbody freighters are stored and only 18.3% of widebody freighters are stored. All widebody factory freighters are currently in service.



Source: mba's REDBOOK FLEET, January 2023

There are 2,351 active and 590 stored freighter aircraft, with Boeing making up 76.6% of the total freighter fleet, but only 68.3% of the total stored freighter fleet. Airbus aircraft comprise only 11.4% of the total freighter fleet but twice their share of the stored fleet, at 22.8%. ATR and Bombardier compete in the regional and turboprop freighter market and together account for approximately 8.9% of stored freighter aircraft.



Source: mba's REDBOOK FLEET, January 2023

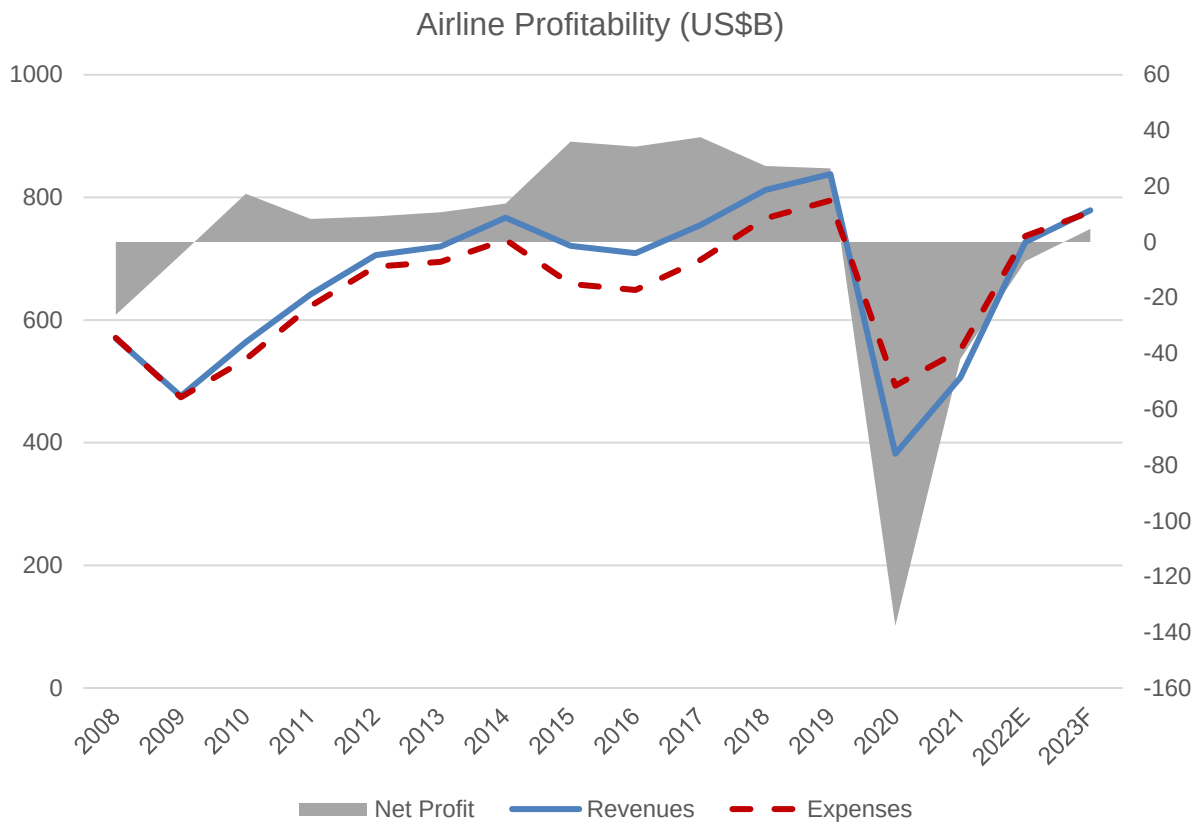
Widebody freighters make up the majority of cargo aircraft, and while many older aircraft were pulled out of storage at the beginning of the pandemic, quite a few have been put pack in storage. Currently, 284 widebody freighter and combi aircraft are in storage, according to mba's REDBOOK FLEET. Older narrowbody aircraft, too, were put into use when cargo demand was sharply outpacing aircraft supply, but 265 narrowbody freighters are now stored, compared to less than 100 in July 2020.

Boeing's 2022 Commercial Market Outlook forecasts that air cargo will grow at an average compounded rate of 4.1% YoY for the next 20 years. It estimates that between replacing aging fleet and adding new aircraft needed for growth, 2,795 freighter deliveries will be needed by 2041: 940 production freighters and 1,855 conversions from passenger fleet, 1,300 of which will be narrowbodies.

Industry Profitability

The airline industry experienced a decade of solid performance with revenues and positive net profitability between 2010 and 2019. Virtually grounded by COVID-19 in 2020, the airline industry suffered substantial loss in connectivity and the economic benefits it generates, resulting in a US$137.7 billion loss for the industry in 2020, followed by losses of US$45.1 billion in 2021. Forecasts for 2022 project that the recovery in the airline industry will continue but will likely end the year with a net loss of US$9.7 billion, followed in 2023 by a forecasted US$3.2 billion profitability.

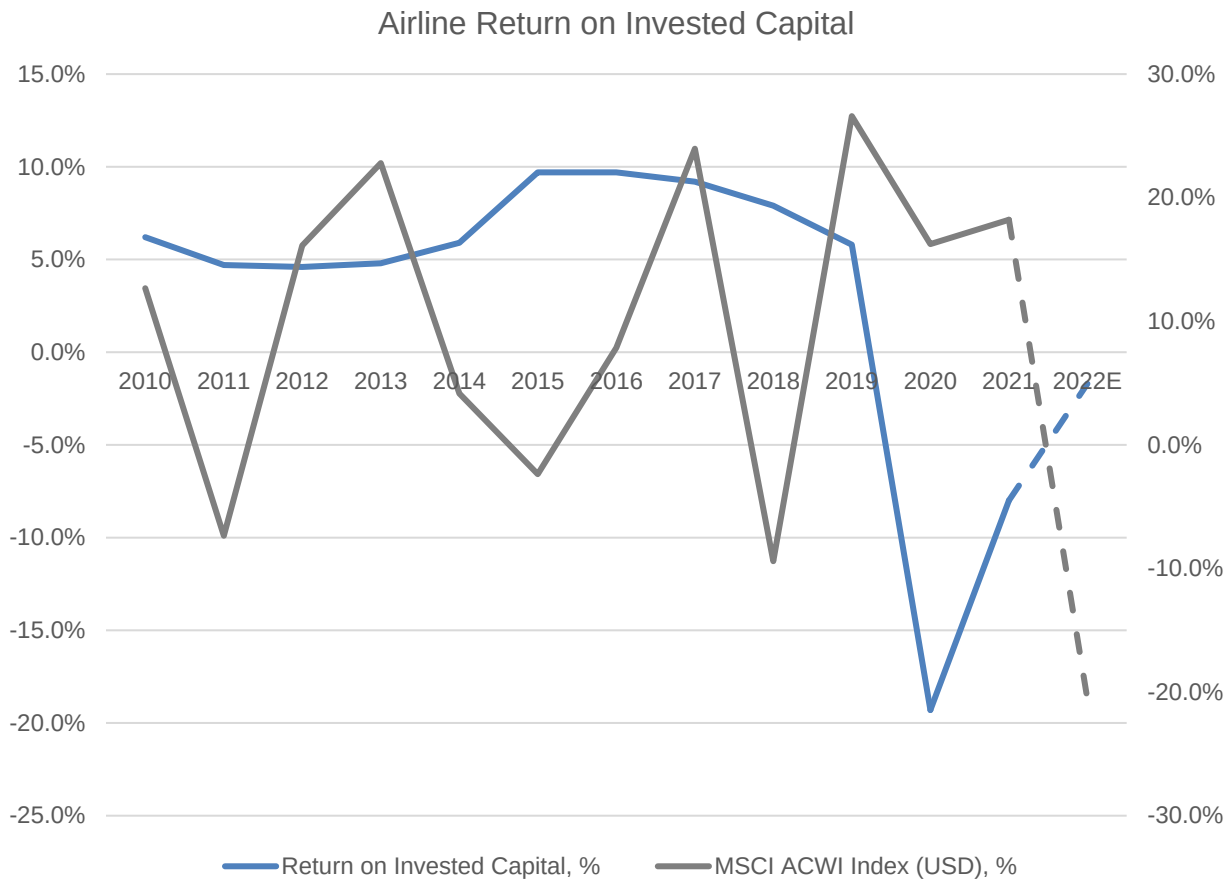
The graph below displays profitability numbers for the global airline industry as per IATA.



Source: IATA Industry Statistics Fact Sheet, IATA COVID-19 Impact Assessment, mba Analysis

Return on Invested Capital

Return on Invested Capital (ROIC) for the airline industry was -8.0% for 2021, a decline due to the COVID-19 pandemic but an increase from 2020's low of -19.3%. The stability in airline margins and ROIC leading up to 2019 was driven by a strong economy, allowing unit cost increases to be recovered through higher load factors and some rise in yields. The graph below presents airline industry ROIC as compared to annual returns for MSCI's ACWI index, which is a global equity index capturing both developed and emerging markets.



Source: IATA, MSCI (2022 Data)

VI. VALUATION APPROACHES & METHODS CONSIDERED

To arrive at the Conclusion of Value, mba considered three generally accepted approaches to valuation, namely: the Income Approach, the Market Approach, and the Cost Approach. The Income Approach seeks to convert future economic benefits into a present value. The Market Approach relies on values indicated by similar assets or comparable transactions. The Cost Approach is based on a comprehensive or all-inclusive analysis of the relevant cost components.

Income Approach

The Income Approach is based on the premise that the value of a security or asset is the present value of the future earnings capacity that is available for distribution to investors in the security or asset. Expected future earnings capacity can be measured by one of various benefit streams, such as cash flows, net income, or earnings before taxes, and can be calculated on a debt-free or after-debt basis. The choice of a proper stream of benefits depends on various factors, such as the enterprise's capital structure and its line of business. The Income Approach typically requires entity-specific assumptions, which are evaluated in the context of marketplace assumptions.

Market Approach

The Market Approach relies on values indicated by similar assets or comparable transactions. Using the Market approach, the appraiser conducts a review of historical sale transactions and lease rates. Values for a Subject Entity are then derived based on comparable data. In the Market Approach, values may also be derived from discussions with knowledgeable market participants and regulatory agencies.

Cost Approach

The third considered approach to valuation is the Cost Approach. This approach is based on the economic principle of substitution and the asset value is influenced by the cost to substitute or replace the asset. The Cost Approach considers a comprehensive definition of cost, which may include time, materials, and opportunity cost of creating the asset.

Valuation Approach Chosen

Given the nature of the Subject Entity's operations and its expected earnings, mba concluded that the use of the Income Approach would be appropriate for this Valuation Engagement. Like many businesses, there is a strong correlation between the Subject Entity's value and its ability to generate future operating cash flows or earnings. It is, therefore, appropriate to use the Income Approach for this Valuation Engagement.

Two methods commonly used in the Income Approach are the Discounted Cash Flow Method and the Capitalization of Cash Flow Method. In the Discounted Cash Flow Method, future benefit streams are forecasted for a discrete period of time and then discounted back to their present value using a Discount Rate commensurate with the deemed level of risk. The Discounted Cash Flow Method is a multi-period model that also factors in the present value of a terminal value.

In the Capitalization of Cash Flow Method, the expected benefits for one time period are capitalized into perpetuity using a Capitalization Rate that is equal to the Discount Rate minus the expected long-term sustainable growth rate. The Capitalization of Cash Flow Method is predicated on stable earnings and constant growth and is most appropriate when it appears that a company's current and historical earnings can be considered indicative of its future operating results. Put another way, it is inherent in this method that past or current performance is a reasonable predictor of future performance.

Discount Rates and Capitalization Rates vary among particular types of businesses and from one period of time to another due to a variety of risk factors. Expressed as a percentage, the more speculative a company's income stream is, the higher the Discount Rate and Capitalization Rate. Conversely, the more stable the income stream is, the lower the Discount Rate and Capitalization Rate.

To the extent that the Subject Entity's current and historical results would be considered reasonable proxies for future benefits streams, the Capitalization of Cash Flow Method could be a suitable method under the Income Approach. It is mba's opinion, however, that the Discounted Cash Flow Method is more suitable for purposes of this Valuation Engagement.

VII. VALUATION APPROACHES & METHODS USED

Income Approach - Discounted Cash Flow Method

Application of the Discounted Cash Flow Method requires the preparation of a reliable forecast of the expected future financial performance of the Subject Entity. In this context, the Subject Entity's future financial performance is a reflection of its future revenues, operating expenses, taxes, working capital requirements, and capital expenditures over some discrete period of time.

Forecasted cash flow must then be discounted to a present value using a Discount Rate that appropriately accounts for the market cost of capital as well as the risk and nature of the subject cash flows. Finally, an assumption must be made regarding the sustainable long-term rate of earnings growth at the end of the forecast period, and the terminal or residual value of the remaining cash flows must be discounted back to a present value. The sum of the present values of the forecasted cash flows and the terminal value equals the value of the enterprise.

Cash Flow Forecast

For the discounted cash flow analysis, mba utilized forward-looking, pro-forma financial statements supplied by the Subject Entity's management team. In conjunction with the Client-supplied, pro-forma financial statements, mba ran an independent forecast of the Client's operations based on the Subject Entity's historical membership, operating, and capacity data as well as mba's in-house knowledge of current and projected industry conditions.

After a review of the forecasted operational metrics and corresponding cash flows provided by the Client, and a comparison with mba's internal forecast, mba found the financial projections forecasted by the Client to be reasonable and achievable. Assumptions in the mba model are outlined below.

Cash Flow Forecast Assumptions

The cash flows were projected from 2023 through 2027. The following is a list of cash flow assumptions applied to mba's independent forecast referenced for this valuation:

- **REVENUE –** Using 2019–2022 data as reference, mba developed revenue projections for the five-year rolling forecast period. The respective revenue projections are the result of a combination of traffic growth (RTK) and partnership growth rates. In developing RTK and growth-rate projections, mba relied on historical data, mba industry knowledge and growth projections from Airbus's Global Market Forecast 2022–2041, and retail & e-commerce data in the region. mba was provided estimates by the Client for the revenue expected by each type of sale. Azul Cargo recently partnered with Amazon for package deliveries, which is expected to have a significant impact on the carrier's operations going forward. Based on discussions with the Client, these benefits have been incorporated by mba into the annual revenue projections. mba did not have access to the long-term contracts associated with these benefits and has not audited these estimates but believes them to be within reason based on discussions and preliminary results.

- **Operating Expenses –** mba examined historical financial statements for operating expenses. mba used its own estimates of ground operation costs but otherwise assumed the Subject Entity's forecast to be reasonable considering its historical expenses and expected economic impacts. The Subject Entity estimates lower transfer fee expenses in the future. Transfer pricing is a closely held relationship, so the cost is lower than peer airlines without this relationship.
- **Depreciation & Amortization –** mba examined historical financial statements and assumed the Subject Entity's forecast to be reasonable considering its historical EBITDA margins and subsequent expected growth.
- **Incremental Working Capital –** Incremental working capital requirements were assumed in line with the Subject Entity's expectations and historical performance. The Subject Entity's cash turnover rates are within the range of comparable companies.
- **Incremental Deferred Revenue –** mba examined the historical relationship between gross revenues and deferred revenues in order to determine future deferred revenues and the year-on-year change in those values.
- **Tax Rate –** The Company has tax losses that are available indefinitely for offset against future taxable profits through the end of this forecast period. mba assumed a tax rate of 0.0% in the forecast but it should be noted that the effective tax rate of 34.0% was applied to the WACC calculation used to discount future cash flows.
- **Terminal Growth Rate** – At the conclusion of the forecast period, mba applied a terminal growth model based on the forecasted 2027 cash flows. mba assumed a terminal growth rate of 2.3% to be appropriate considering the industry, business model, and regional consumer behaviors.

Discount Rate Estimation

The Discount Rate applied to the forecasted benefit stream and terminal value must adequately reflect the nature of the applicable investment and the risk associated with the underlying cash flows. Stated another way, the Discount Rate represents the total rate of return that an investor would demand given the level of risk associated with an investment. For purposes of an enterprise valuation, mba derived the Subject Entity's Weighted Average Cost of Capital (WACC). This reflects the return required by all providers of capital weighted by their relative contribution to total capital.

The after-tax Cost of Equity represents the return required by equity investors. mba considered two common methods of developing an appropriate Cost of Equity: the Buildup Method and the modified Capital Asset Pricing Model (CAPM). The Buildup Method starts with a risk-free rate of return and adds to it a number of identifiable risk factors. The modified CAPM is similar to the Buildup Method except that it requires the use of industry-specific beta information derived from similar public companies. For purposes of this Valuation Engagement, mba determined that the Buildup Method was appropriate for determining the Subject Entity's Cost of Equity.

The formula for the Buildup Method is $k_e = r_f + r_m + r_i + r_s + r_c$. The following definitions apply:

Cost of Equity Capital (k_e) - The return required by stockholders.

Risk-Free Rate (r_f) - The return on government securities with a term similar to that of the investment being valued.

Equity Risk Premium (r_m) - The additional return an investor expects in order to compensate for the additional risk associated with investing in equity securities instead of investing in a riskless asset; a measure of systematic risk.

Industry Risk Premium (r_i) - Unsystematic risk attributable to the industry in which the Subject Entity operates.

Size Premium (r_s) - Unsystematic Risk attributable to the widely acknowledged fact that smaller stocks, on average, are riskier than larger stocks and therefore require a greater return.

Specific Risk (r_c) – Unsystematic Risk attributable to a subject asset.

mba estimated the Subject Entity's Cost of Equity through the build-up method in the table below.

COST OF EQUITY

RISK-FREE RATE	3.50%
EQUITY RISK PREMIUM	6.00%
INDUSTRY RISK PREMIUM	-0.06%
SIZE PREMIUM	5.35%
SPECIFIC RISK	2.00%
ESTIMATED COST OF EQUITY CAPITAL (AFTER-TAX)	**16.79%**

The after-tax Cost of Debt represents the return required by debt investors on long-term interest-bearing debt.

The formula for the after-tax rate of return is $k_d = k \times (1-t)$. The following definitions apply:

Cost of Debt (k_d) - The return required by debt investors.

Pre-tax Cost of Debt Capital (k) - Pre-tax cost of debt capital based on the yield of corporate bonds with a rating similar to that of the investment being valued.

Effective Income Tax Rate (t) - The percent of income that a corporation pays in taxes.

mba estimated the Subject Entity's Cost of Debt in the table below.

COST OF DEBT

PRE-TAX COST OF DEBT CAPITAL	13.41%
EFFECTIVE INCOME TAX RATE	34.00%
ESTIMATED COST OF DEBT CAPITAL (AFTER-TAX)	**8.85%**

The risk factors used in the Buildup Method are individually computed and are intended to be independently additive and non-overlapping in their measurement of risk. The selected risk-free rate of return is the Duff & Phelps Normalized Risk-Free Rate. mba did not compute the risk premium factors and instead relied on the *KROLL Cost of Capital Navigator*, in determining the Equity Risk Premium, Size Premium, and Industry Risk Premium. For the Industry Risk premium, mba observed the measures for GICS code 203010, "Air Freight and Logistics." This is the GICS classification for cargo airlines. Specific risk is a matter of professional judgment and deals with the risk of a particular asset or company. mba believes 2.0% is appropriate for a high-growth cargo operation in Brazil at this time. The cost of debt for a company with ratings similar to the Subject Entity at the time of this valuation is estimated at 8.85%. Using the industry-observed capital structure of 45.0% debt to 55.0% equity, mba calculated the WACC to be 13.2%.

VIII. VALUATION ADJUSTMENTS

When an interest lacks certain elements of control and marketability, two discounts are generally appropriate. They are typically referred to as the discount for Lack of Control, also known as the minority interest discount, and the discount for Lack of Marketability. Both Discounts for Lack of Control and Lack of Marketability in the valuation of closely held businesses have also been recognized by the various courts that have considered these issues.[7] A range of accepted discounts from court cases may not be meaningful in determining the appropriate discount for a particular valuation subject since those decisions rely heavily on the particular facts and circumstances specific to the respective cases but are useful in observing as a measure of reasonability.

Discount for Lack of Control

Discount for Lack of Control, also referred to as minority interest discount, is "an amount or percentage deducted from the pro rata share of value of 100.0% of an equity interest in a business to reflect the absence of some or all of the powers of control." The value of control depends on a shareholder's ability to influence what are referred to as "control prerogatives." The more common control prerogatives are:[8]

- Elect directors and appoint management;
- Determine management compensation and perquisites;
- Acquire or liquidate assets;
- Liquidate, dissolve, or recapitalize the company;
- Declare and pay dividends;
- Initiate a public offering of the company; and
- Change business plans/models.

The following factors can affect the amount of control, or lack thereof, and should be considered when determining the appropriate minority interest discount:

- Voting vs. non-voting interests;
- Cumulative vs. non-cumulative voting interests;
- Outside contractual restrictions;
- Federal and state regulations; and
- Distribution of ownership.

[7] See, for example, James R. Hitchner. *Financial Valuation Applications and Models*. Hoboken, NJ: John Wiley & Sons, Inc., 2003, at pp. 540-576.
[8] See, for example, Shannon P. Pratt. Valuing a Business: The Analysis and Appraisal of Closely Held Companies, 5th Edition. New York, NY: McGraw-Hill, 2008, at p. 385.

Because the purchaser of a non-controlling interest in a company would have little rational expectation of being able to influence company policy or company actions via voting rights, the value of a minority interest is subject to discount to reflect this Lack of Control and influence.

Studies of actual transactions indicate that companies pay a control premium when purchasing a controlling interest. The studies compare the actual price paid for a controlling interest to the price at which minority shares were previously traded. An implied minority discount is derived by formula from the median control premiums. It should be noted that these premiums are based on a company's stock price shortly before the announcement date of a merger transaction. Because stock prices tend to rise shortly before such transactions, the premiums may be understated. Also, the premiums documented in these studies are total acquisition premiums and, therefore, may reflect matters other than just control. For example, a company may be willing to pay a premium when acquiring another company for synergistic reasons.

Discount for Lack of Marketability

Shares of stock in a privately held company generally trade at a very significant discount to shares of stock in an otherwise equivalent publicly held company that are freely traded on organized exchanges. This is due to the relative ease and speed with which public company shares can be liquidated. Minority stockholders are at an even bigger disadvantage than majority stockholders when it comes to liquidity. In comparison to publicly traded securities, private company shares typically have attributes that make liquidation a slow and sometimes onerous process. Such attributes may include:[9]

- Existence of "put" rights;
- Historical distribution levels and the likelihood of future distributions;
- Pool of potential buyers;
- Prospects for a liquidation event (e.g., an acquisition or a public offering);
- Restrictive transfer provisions;
- Size and financial strength of the enterprise;
- Size of the ownership interest in question; and
- Information access and reliability.

While often difficult to quantify with precision, the concept of discounts for Lack of Marketability is widely accepted. If an investment cannot be readily sold, the absence of liquidity tends to adversely affect its value.

[9] See, for example, Shannon P. Pratt. *Valuing a Business: The Analysis and Appraisal of Closely Held Companies, 5th Edition*. New York, NY: McGraw-Hill, 2008, at pp. 446-448 and Shannon P. Pratt. *Business Valuation Discounts and Premiums*. New York, NY: John Wiley & Sons, Inc., 2001, at p. 79 and pp. 152-164.

The appropriate size of a discount for Lack of Marketability generally varies from one investment to another. To determine the discount applicable to a specific valuation subject, all relevant attributes must be examined. Data from various restricted stock studies and initial public offering studies, as described below, can provide insight in determining the appropriate Lack of Marketability discount. These studies are commonly referred to by business valuation analysts and cited in business valuation texts.

The restricted stock studies focus on comparing the prices of public companies' restricted stocks to their unrestricted equivalents. Restricted stock is unregistered stock subject to SEC Rule 144 and differs from other public company stocks only in that it typically is restricted from trading on the open market for a period of time. Since the shares studied are identical in all other respects, study results are thought to isolate the disadvantage associated with Lack of Marketability. The discount levels documented by these restricted stock studies range from 13.0% to 45.0%.

It should be noted that the SEC's 1997 reduction in the restricted stock holding period from two years to one may help explain lower documented discount levels in post-1996 study results. It should also be noted that various studies have documented the inverse relationship between discount size and the size (e.g., revenues, earnings, market capitalization) of study subjects.[10]

Another group of marketability studies focuses on comparing transactions in private company stocks with subsequent IPOs of the same stocks, the latter typically at a higher price. The price differential is, at least in part, attributable to the Lack of Marketability of such stocks prior to the public offering and tends to be smaller for transactions close to the IPO date and larger for transactions further away from the IPO date. The distinguishing factor between these pre-IPO studies and the restricted stock studies is that there exists no public market for a pre-IPO stock, whereas for restricted stocks a public market does exist, even if it is not immediately accessible. Consequently, the discount levels reported by the pre-IPO studies are generally higher than those of the restricted stock studies. The discount levels documented by these studies, range from about 35.0% to 65.0%.

Consideration of (but not reliance on) the restricted stock studies and the pre-IPO studies, however, is a necessary step in the business valuation process. Based on the foregoing, there is substantial evidence that the Lack of Marketability can severely reduce the value of a closely held business interest.

Concluded Discounts

The concepts of marketability discounts and control premiums, thus implied discounts for Lack of Control, are theoretically valid. Depending on the facts and circumstances germane to a particular Valuation Engagement and the applicable standard of value, discounts for Lack of Control, Lack of Marketability, or both may be appropriate.

[10] James R. Hitchner. *Financial Valuation Applications and Models*. Hoboken, NJ: John Wiley & Sons, Inc., 2003, p. 310.

Premium/(Discount) for Lack of Control

The Subject Entity represents a controlling interest[11] given that it is fully owned by the Client. As a result, the value of the Subject Entity must be determined on a controlling basis. The benefit streams that were utilized in the application of the Discounted Cash Flow Method reflect adjustments that a controlling owner might make. The underlying economic income reflects incorporation of the growth plan as laid out by management and provides distributions to equity holders in a positive income year. As such, the application of the Discounted Cash Flow method produces a controlling value.

Discount for Lack of Marketability

With respect to marketability, the Subject Entity is a privately held company. An ownership interest that is not readily marketable generally trades at a price lower than a similar interest that is readily marketable; there exists no established market in which to sell the Subject Entity's shares. The amount of the discount for Lack of Marketability depends on the degree of liquidity based on the facts and circumstances.

mba considered the following factors in reaching a judgment on the discount for Lack of Marketability for the Subject Interest:

- LEVEL OF HISTORICAL AND PROSPECTIVE CASH DISTRIBUTIONS – The Subject Entity does not have a history of making distributions. This factor supports a neutral discount for Lack of Marketability.
- EXISTENCE OF POTENTIAL BUYERS – While there is a risk that the Subject Entity's reliance on the Company could limit its attractiveness, cargo airline transactions that have closed in recent history indicate that there are suitors available for a potential sale. This factor supports a neutral discount for Lack of Marketability.
- PROSPECTS FOR IPO OR SALE – The Subject Entity has not historically expressed interest in an IPO. This factor is neutral with respect to Lack of Marketability.
- CONTRACTUAL RESTRICTIONS ON TRANSFER – As of the Valuation Date, there are no known restrictions on the transfer of the Subject Entity. This supports a lower discount for Lack of Marketability.
- SIZE OF THE BLOCK – The value of the Subject Entity does represent a significant dollar amount. This supports a higher discount for Lack of Marketability.
- ACCESS TO INFORMATION – The Subject Entity's shares are not registered with the Securities and Exchange Commission (SEC) and the Subject Entity is not required to file quarterly or annual financial statements. A private investor would have to expend additional resources in a due diligence effort to ascertain the value of the Subject Entity and the value of the Subject Interest. This supports a slightly higher discount for Lack of Marketability.

[11] Greater than 50.0% interest.

Based on the consideration of the relevant facts and circumstances, it is mba's opinion that the value of enterprise determined using the Discounted Cash Flow Method resulted in a nonmarketable value. As such, for the Subject Interest a 10.0% Discount for Lack of Marketability was applied to the Discounted Cash Flow Methods.

IX. CONCLUSION OF VALUE

The following summarizes mba's Conclusion of Value of the Subject Entity as of the Valuation Date.

(R$ M)	CALCULATION	DLOM[12]	DLOC[13]	CONCLUSION OF VALUE
AZUL CARGO ENTERPRISE VALUE, INCLUDING IP	R$7,419.8	-10%	0%	R$6,677.9
AZUL CARGO IP				R$782.7

It is important to note that this Conclusion of Value is for the Enterprise Value of the Subject Entity.

These Conclusion of Value are subject to the Representation of the Valuation Analyst and the Statement of Assumptions & Limiting Conditions found in this Report. mba has no obligation to update this report or the Conclusion of Value for information that comes to attention after the Report Date.

[12] DLOM: Discount for the Lack of Marketability.
[13] DLOC: Discount for the Lack of Control.

X. RISK FACTORS

The Conclusion of Value was determined assuming key factors affecting the Subject Entity including the economic, competitive, and financing environments. In the event any of these key factors affecting the Subject Entity or Subject Interest materially diverge in the future from underlying assumptions, valuation results would be expected to change accordingly. Several of the major risks associated with these valuations are outlined below.

Economic Risks

The valuation is based on current economic conditions regarding global and regional economies. As stated earlier in the report demand for air transport service is highly cyclical and is strongly correlated with economic trends. Therefore, a downturn in the global economy could have a negative impact on demand for passenger and freighter services. Likewise, increased prosperity would have a positive effect on personal incomes, causing a rise in passenger traffic and therefore demand for aircraft. As the air transport industry experiences these variances, the value of the Subject Entity could witness similar phenomena.

Geopolitical Risks

There are operational risks assumed by the Subject Entity regarding the regions in which it operates. Should there be prolonged political tension or terrorist activity in regions of operation that affect the financial results of, operational capability of, or demand for shipping, and subsequently impacts the Subject's Ability to transport cargo, the value of the Subject Entity could be negatively impacted.

Fuel Cost Risks

The cost of fuel is one of the largest and most volatile expenses incurred by an airline. Recent history has witnessed a fuel market characterized by generally decreasing prices due to various market factors. mba has performed the valuations herein assuming fuel costs in proportion to that experienced in today's environment consistent with U.S. Department of Energy expectations. Continuing increases in the cost of fuel will continue to raise the total operating expenses incurred on these routes and, without the addition of surcharges or other revenue recovery initiatives to offset the additional cost, will lessen the profitability the airline obtains on the given routes. This decrease in profitability would, in turn, have a negative impact on the Conclusion of Value. In the same manner, a decline in fuel prices will decrease airlines' operating expenses, increasing profitability and also giving a positive boost to the Conclusion of Value.

Competitive Risks

Potential Subject Entity customers have many alternatives in the air shipping market, including the bellies of passenger airliner, and other dedicated leasing companies such as the comparable companies identified earlier in the report. There are many comparable air cargo operators, including those privately held or part of a larger institution.

XI. STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

1. The Conclusion of Value arrived at herein is valid only for the stated purpose as of the Valuation Date.

2. Financial statements and other related information provided by the Subject Entity or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. mba has not audited, reviewed, or compiled the financial information provided to us and, accordingly, expresses no audit opinion or any other form of assurance on this information.

3. Public information and industry and statistical information have been obtained from sources mba believes to be reliable. However, mba makes no representation as to the accuracy or completeness of such information and have performed no procedures to corroborate the information.

4. mba does not provide assurance on the achievability of the results forecasted by the Subject Entity because events and circumstances frequently do not occur as expected, differences between actual and expected results may be material, and achievement of the forecasted results is dependent on actions, plans, and assumptions of management.

5. The Conclusion of Value arrived at herein is based on the assumption that the current level of management expertise and effectiveness will continue to be maintained, and that the character and integrity of the enterprise through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed.

6. The Valuation Report and its Conclusion of Value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The Conclusion of Value represents the considered opinion of mba, based on information furnished to mba by the Subject Entity and other sources.

7. The Valuation Report and its Conclusion of Value will not be disseminated by the Subject Entity or by any of its agents to other firms considered to be competitors to mba in the airline route valuation field without the prior express written approval of mba.

8. Future services regarding the subject matter of this Valuation Report, including but not limited to testimony or attendance in court, shall not be required of mba unless previous arrangements have been made in writing.

9. mba has not determined independently whether the Subject Entity is subject to any present or future liability relating to environmental matters (including but not limited to CERCLA/Superfund liability) nor the scope of any such liabilities. mba's valuation takes no such liabilities into account, except as they have been reported to mba by the Subject Entity or by an environmental consultant working for the Subject Entity, and then only to the extent that the liability was reported to mba in an actual or estimated dollar amount. Such matters, if any, are noted in the report. To the extent such information has been reported to mba, mba has relied on it without verification and offers no warranty or representation as to its accuracy or completeness.

10. No change of any item in this Valuation Report shall be made by anyone other than mba, and mba shall have no responsibility for any such unauthorized change.

11. Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the Subject Entity due to future Federal, state, or local legislation, including any environmental or ecological matters or interpretations thereof.

12. mba has corresponded with the current management of the Subject Entity concerning the past, present, and prospective operating results of the company.

13. mba has not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances or that the entity has good title to all assets.

XII. REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the Valuation Date, to the best of mba's knowledge and belief, that:

- The analyses, opinions, and Conclusion of Value included in the Valuation Report are subject to the specified Assumptions and Limiting Conditions and are the personal analyses, opinions, and Conclusion of Value of the valuation analyst.
- The valuation analyst is unrelated to the Subject Entity and has no current or expected interest in the Subject Entity or its assets.
- The Valuation Report was prepared for the purpose stated therein. The Valuation Report is not intended to be and should not be used for any other purpose.
- The valuation analyst has no obligation to update the Valuation Report or the Conclusion of Value for information that comes to his or her attention after the date indicated above.
- The valuation analyst's compensation for the Valuation Engagement is in no way contingent on the outcome of the valuation.
- This report represents mba's opinion as to the value of the Subject Entity and is intended to be advisory only and is not given for or as an inducement for any specific financial transaction. Therefore, mba assumes no financial responsibility or legal liability for decisions or actions taken or not taken by the Subject Entity or any other party with regard to the Subject Entity. mba accepts no responsibility for damages, if any, claimed by a third party as a result of decisions or actions taken based on the information contained in this report. By accepting this report, all parties agree mba shall bear no such responsibility or legal liability. mba consents to the use of this appraisal report as required by the terms in the indenture.

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June 5, 2023

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