IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (i) QUALIFIED INSTITUTIONAL BUYERS ("QIBs"), WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR (ii) NON-U.S. PERSONS, WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the final offering memorandum (the "Offering Memorandum") following this page and you are advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS. THE SECURITIES DESCRIBED IN THE OFFERING MEMORANDUM 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 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 2014/65/EU (AS AMENDED, "EU 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 EU MIFID II. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

PROHIBITION OF SALES TO U.K. RETAIL INVESTORS. THE SECURITIES DESCRIBED IN THE OFFERING MEMORANDUM 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 ("U.K."). 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"); OR (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA WHICH WERE RELIED ON IMMEDIATELY BEFORE EXIT DAY 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 EUROPEAN UNION (WITHDRAWAL) ACT 2018; 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. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "U.K. PRIIPS REGULATION") FOR OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE U.K. HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SECURITIES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE U.K. MAY BE UNLAWFUL UNDER THE U.K. PRIIPS REGULATION.

IN ADDITION, IN THE U.K., THE OFFERING MEMORANDUM AND ANY OTHER MATERIAL RELATING TO THE SECURITIES DESCRIBED HEREIN ARE ONLY BEING DISTRIBUTED TO, AND ARE DIRECTED ONLY AT, (I) PERSONS HAVING PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"), OR (II) PERSONS WHO FALL WITHIN ARTICLE 43(2)(B) OF THE ORDER, OR (III) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, OR (IV) PERSONS TO WHOM IT WOULD OTHERWISE BE LAWFUL TO DISTRIBUTE THEM (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THE SECURITIES ARE ONLY AVAILABLE TO, AND ANY INVITATION, OFFER OR AGREEMENT TO SUBSCRIBE, PURCHASE OR OTHERWISE ACQUIRE THE SECURITIES WILL BE ENGAGED IN ONLY WITH, RELEVANT PERSONS. THE OFFERING MEMORANDUM AND ITS CONTENTS ARE CONFIDENTIAL AND SHOULD NOT BE DISTRIBUTED, PUBLISHED OR REPRODUCED (IN WHOLE OR IN PART) OR DISCLOSED BY

ANY RECIPIENTS TO ANY OTHER PERSON IN THE U.K. ANY PERSON IN THE U.K. THAT IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THE OFFERING MEMORANDUM OR ITS CONTENTS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the securities, investors must be either (i) QIBs or (ii) non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States. This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing the Offering Memorandum you shall be deemed to have represented to us that (i) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States; and (ii) you consent to delivery of the Offering Memorandum by electronic transmission.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction.

The Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and, consequently, neither the initial purchasers, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person, accept any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic form and the hard copy version available to you on request from the initial purchasers.

STRICTLY CONFIDENTIAL
OFFERING MEMORANDUM

US$300,000,000

GOL Finance

8.00% Senior Secured Notes Due 2026
Unconditionally and Irrevocably Guaranteed by Gol Linhas Aéreas Inteligentes S.A. and Gol Linhas Aéreas S.A.

GOL Finance, a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg (the "Issuer"), is offering US$300,000,000 aggregate principal amount of 8.00% senior secured notes due 2026 (the "notes"), guaranteed unconditionally and irrevocably by GOL Linhas Aéreas Inteligentes S.A. and GOL Linhas Aéreas S.A. (collectively, the "Guarantors"). The notes are being offered as a further issuance of and will be consolidated and form a single fungible series with the Issuer's US$200.0 million in aggregate principal amount of 8.00% senior secured notes due 2026 initially issued on December 23, 2020 (the "initial notes"). The notes will have terms identical to the initial notes, other than the issue date and issue price. The notes will bear interest at a rate of 8.00% per year, payable semiannually in arrears on June 30 and December 30 of each year, beginning on June 30, 2021. Interest on the notes will accrue from December 23, 2020, but purchasers of the notes will be required to pay accrued interest of approximately US$30.67 per US$1,000 principal amount of notes, representing accrued interest from and including December 23, 2020 up to but excluding May 11, 2021, which is the date we expect to deliver the notes, *plus* accrued interest, if any, from May 11, 2021 if settlement occurs after that date. The notes will be issued in minimum denominations of US$2,000 and multiples of $1,000 in excess thereof and will mature on June 30, 2026.

The notes and the guarantees will be senior, secured obligations of the Issuer and the Guarantors and will rank: (i) equally in right of payment with all existing and future senior indebtedness of the Issuer and the Guarantor; (ii) senior in right of payment to any subordinated indebtedness of the Issuer and the Guarantors; (iii) effectively senior to all of the existing and future unsecured indebtedness of the Issuer and the Guarantors to the extent of the value of the collateral that is available to satisfy the obligations under the notes and the guarantees and any other indebtedness secured by the collateral; and (iv) structurally subordinated to all indebtedness of each subsidiary of the Issuer or the Guarantors that is not a guarantor of the notes. For a more detailed description of the notes, see "Description of the Notes."

The notes and the related guarantees are secured by a first-priority security interest in certain spare parts and intellectual property, as described herein. Upon the issuance of any additional notes or to cure any LTV ratio deficiency, as defined herein, the notes and the guarantees may also be secured on a first-priority basis by certain additional collateral, at our option, including aircraft collateral, flight simulator collateral and spare engines, as well as non-credit card backed receivables collateral and Smiles collateral. For more information on the collateral granted, see "Description of Notes—Collateral."

The Issuer may redeem the notes, in whole or in part, on and after December 24, 2022, at the applicable redemption prices set forth in this offering memorandum together with accrued and unpaid interest and additional amounts, if any. The Issuer may be required to repurchase the notes at a price equal to 101% of the principal amount thereof, *plus* accrued and unpaid interest, if any, if the Issuer is subject to a change of control event. The Issuer may redeem the notes, in whole but not in part, at any time upon the occurrence of specified events relating to applicable tax laws, as described under "Description of Notes—Redemption—Tax Redemption."

The initial notes are listed, and the Issuer will apply to list the notes, on the main board of the Singapore Exchange Securities Trading Limited, or the SGX-ST. We cannot guarantee the listing will be obtained. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the notes or the Issuer.

See "Item 3. Key Information—D. Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2020, as filed with the SEC on March 29, 2021, incorporated by reference in this offering memorandum, and "Risk Factors" beginning on page 18 of this offering memorandum for a discussion of certain risks that you should consider in connection with an investment in the notes.

Issue price: 100.00% *plus* accrued interest from and including December 23, 2020

The notes (and guarantees) have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the Securities Act, or the securities laws of any other jurisdiction. The Issuer is offering the notes only to (i) qualified institutional buyers (as defined in Rule 144A under the Securities Act); and (ii) outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on the transfer of the notes, see "Transfer Restrictions."

We expect that the delivery of the notes will be made to investors in book-entry form only through the facilities of The Depository Trust Company ("DTC"), and its direct and indirect participants, including Clearstream Banking S.A. ("Clearstream Luxembourg") and Euroclear Bank S.A./N.V., as operator of the Euroclear Bank System ("Euroclear"), against payment on May 11, 2021.

Global Coordinators and Joint Bookrunners

BofA Securities **Deutsche Bank Securities** **Morgan Stanley** **Evercore ISI**

Credit Agricole CIB **BCP Securities** **BTG Pactual** **Santander** **UBS Investment Bank** **Bradesco BBI** **Safra**

The date of this offering memorandum is May 6, 2021.

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You should only rely on the information contained in this offering memorandum. Neither we, the Issuer nor the initial purchasers have authorized anyone to give any information or to represent anything not contained or incorporated by reference in this offering memorandum. If given or made, any such other information or representation shall not be relied upon as having been authorized by us or the initial purchasers. This document may only be used where it is legal to sell the notes. Our notes are being offered, and offers to purchase our notes are being sought, only in jurisdictions where offers and sales are permitted. The information contained or incorporated by reference in this offering memorandum is, as applicable, accurate only as of the date of this offering memorandum, regardless of the time of delivery of this offering memorandum or of any offer or sale of our notes. Our business, financial condition, results of operations and prospects may have changed since that date.

In this offering memorandum, we use the terms "GOL," "Company," "we," "us" and "our" to refer to GOL Linhas Aéreas Inteligentes S.A., or GLAI, and its consolidated subsidiaries together, except where the context requires otherwise. The term GLA refers to GOL Linhas Aéreas S.A., a wholly owned subsidiary of GLAI. All references to "Guarantors" refer to GLAI and GLA, collectively. The term "Issuer" refers to GOL Finance, a public limited liability company (*société anonyme*) organized under the laws of Luxembourg and financing subsidiary of GLAI. References to the "initial purchasers"

are to BofA Securities, Inc., Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, Evercore Group L.L.C., Credit Agricole Securities (USA) Inc., BCP Securities, LLC, Banco BTG Pactual S.A.— Cayman Branch, Santander Investment Securities Inc., UBS Securities LLC, Banco Bradesco BBI S.A. and Banco Safra S.A. (acting through its Cayman Islands Branch).

The term "Brazil" refers to the Federative Republic of Brazil. The phrase "Brazilian government" refers to the federal government of Brazil and the term "Central Bank" refers to the Central Bank of Brazil (*Banco Central do Brasil)*. The terms "U.S. dollar" and "U.S. dollars" and the symbol "US$" refer to the legal currency of the United States. The terms "*real*" and "*reais*" and the symbol "R$" refer to the legal currency of Brazil.

You are authorized to use this offering memorandum solely for the purpose of considering the purchase of the notes described in this offering memorandum. We and other sources identified herein have provided the information contained or incorporated by reference in this offering memorandum.

None of the initial purchasers named herein or any of their agents are making any representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained or incorporated by reference in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to past, present or future. The initial purchasers accept no liability in relation to the information contained or incorporated by reference in this offering memorandum or any information included by us and the Issuer. The Bank of New York Mellon, or the trustee, in any of its capacities, assumes no responsibility for the accuracy or completeness of the information contained in 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.

The Issuer is relying on exemptions from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The notes offered are subject to restrictions on transferability and resale and may not be transferred or resold in the United States, except as permitted under the Securities Act and applicable U.S. state securities laws pursuant to registration or exemption from them. By purchasing the notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading "Transfer Restrictions." You should understand that you may be required to bear the financial risks of your investment in the notes for an indefinite period of time.

We and the Issuer have prepared this offering memorandum for use solely in connection with the proposed offering of the notes outside of Brazil. This offering memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any other person or to the public in general to acquire the notes. Distribution of this offering memorandum to any person other than the offeree and those persons, if any, engaged to advise that offeree with respect thereto, is unauthorized, and any disclosure of any of its contents without our prior written consent is prohibited. You may not use any information herein for any purpose other than considering the purchase of the notes. You agree to the foregoing by accepting delivery of this offering memorandum.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY UNITED STATES FEDERAL, INCLUDING THE U.S. SECURITIES AND EXCHANGE COMMISSION, OR ANY OTHER STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Neither this offering memorandum, including any information incorporated by reference herein, nor any other information supplied in connection with the notes should be considered as a recommendation by us, the Issuer, the trustee or any of the initial purchasers that any recipient of this offering memorandum should subscribe for or purchase any notes. Each investor contemplating subscribing for or purchasing any notes should make its own independent investigation of our and the Issuer's financial condition and affairs, and its own appraisal of our and the Issuer's creditworthiness. This offering memorandum does not constitute an offer of, or an invitation by or on behalf of, us, the Issuer, any initial purchaser or the trustee to subscribe or purchase any of the notes in any jurisdiction where such offer is not permitted. The distribution of this offering memorandum and the offering and sale of the notes in certain jurisdictions may be restricted by law. The Issuer and the initial purchasers require persons in whose possession this offering memorandum comes to inform themselves about and to observe any such restrictions. This offering memorandum does not constitute an offer of, or an invitation to purchase, any of the notes in any jurisdiction in which such offer or invitation would be unlawful. None of us, the Issuer, the trustee nor any

initial purchaser represents that this offering memorandum may be lawfully distributed, or that any notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by us, the Issuer, the trustee or any initial purchaser that is intended to permit a public offering of any notes or distribution of this offering memorandum in any jurisdiction where action for that purpose is required. Accordingly, no notes may be offered or sold, directly or indirectly, and neither this offering memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

We and the Issuer have prepared this offering memorandum solely for use in connection with the proposed offering of the notes outside of Brazil, and it may only be used for that purpose. The Issuer and the initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the notes offered hereby.

In making an investment decision, you must rely on your own examination of our business and the terms of this offering and the notes, including the merits and risks involved.

We, the Issuer and the initial purchasers are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes under any investment law or similar laws or regulations. You should not consider any information included or incorporated by reference in this offering memorandum to be advice whether legal, business, accounting or tax. You should consult your own attorney or other professional for any legal, business, accounting or tax advice regarding an investment in the notes.

AVAILABLE INFORMATION

While any notes remain outstanding, we will make available, upon request, to any holder and any prospective purchaser of notes the information required pursuant to Rule 144A(d)(4)(i), during any period in which we are not subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, or exempt under Rule 12g3-2(b) of the Exchange Act.

PRESENTATION OF FINANCIAL AND OTHER DATA

Financial Statements and Information

We maintain our books and records in *reais*, which is our functional currency as well as our reporting currency. Our audited consolidated financial statements as of December 31, 2020, 2019 and 2018 and for the years ended December 31, 2020, 2019 and 2018 (our "audited consolidated financial statements") and our unaudited interim condensed consolidated financial statements as of March 31, 2021 and for the three months ended March 31, 2021 and 2020 (our "unaudited interim condensed consolidated financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB"), and are incorporated by reference in this offering memorandum. See "Incorporation by Reference."

Translation of *Reais* into U.S. Dollars

Solely for the convenience of the reader, we have translated some of the *real* amounts in this offering memorandum into U.S. dollars at the rate of R$5.697 to US$1.00, which was the U.S. dollar selling rate as of March 31, 2021, as reported by the Central Bank. The U.S. dollar equivalent information presented in this offering memorandum is provided solely for the convenience of investors and should not be construed as implying that the *real* amounts represent, or could have been or could be converted into, U.S. dollars at the above rate.

Market Information

We make statements in this offering memorandum about our competitive position and market share in, and the market size of, the Brazilian and international airline industry. We have made these statements on the basis of statistics and other information from third party sources, governmental agencies or industry or general publications that we believe are reliable. Although we have no reason to believe any of this information or these reports are inaccurate in any material respect, we have not independently verified such information and cannot guarantee the accuracy or completeness of such information. All industry and market data contained or incorporated by reference in this offering memorandum are from the latest publicly available information.

Going Concern Basis of Accounting

Our audited consolidated financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and satisfaction of liabilities and commitments in the normal course of business. As such, our audited consolidated financial statements do not include any adjustments that might result from an inability to continue as a going concern. If we cannot continue as a going concern, adjustments to the carrying values and classification of our assets and liabilities and the reported amounts of income and expenses could be required and could be material. For more information, see "Risk Factors—Risks Relating to the Notes and the Guarantees—Our financial statements as of and for the years ended December 31, 2019 and 2020 contain a going concern emphasis, due to the significant drop in demand for air travel as a result of the effects of developments relating to the COVID-19 pandemic, the actions taken by the Brazilian government to address it, which are largely out of our control, and our resulting negative working capital."

Rounding

Certain figures included or incorporated by reference in this offering memorandum have been rounded. Accordingly, figures shown as totals in certain tables may not be an arithmetic sum of the figures that precede them.

Special Note Regarding Non-IFRS Financial Measures

We disclose certain non-IFRS financial measures, which are not defined under IFRS, specifically "EBITDA," "Adjusted EBITDA," "EBITDA Margin," "Adjusted EBITDA Margin," "Adjusted Operating Margin," "Total Liquidity" and "Adjusted Net Indebtedness." Non-IFRS financial measures do not have standardized meanings and may not be directly comparable to similarly-titled measures adopted by other companies. We believe the non-IFRS financial measures that we use help to understand our profitability and indebtedness. Potential investors should not rely on information not defined under IFRS as a substitute for the IFRS measures of earnings, cash flows or net income (loss) in making an investment decision. For more information on this non-IFRS financial measures, "Selected Financial Information."

Certain Definitions

This offering memorandum contains terms relating to operating performance in the airline industry that are defined as follows:

"Aircraft utilization" represents the average number of block-hours operated per day per aircraft for the total aircraft fleet.

"ATK" refers to available ton kilometers and is a measure of total capacity, considering passenger and cargo.

"Available seat kilometers" or "ASK" represents the aircraft seating capacity multiplied by the number of kilometers flown.

"Average stage length" represents the average number of kilometers flown per flight.

"Block-hours" refers to the elapsed time between an aircraft's leaving an airport gate and arriving at an airport gate.

"Load factor" represents the percentage of aircraft seating capacity that is actually utilized (calculated by dividing revenue passenger kilometers by available seat kilometers).

"Low-cost carrier" refers to airlines with a business model focused on a single fleet type, low-cost distribution channels and a highly efficient flight network.

"MRO" refers to maintenance, repair and operations.

"Net revenue per available seat kilometer" or "RASK" represents net revenue *divided by* available seat kilometers.

"Operating costs and expenses per available seat kilometer" or "CASK" represents operating costs and expenses *divided by* available seat kilometers, which is the generally accepted industry metric to measure operational cost efficiency.

"Operating costs and expenses excluding fuel expense per available seat kilometer" or "CASK ex-fuel" represents operating costs and expenses *less* fuel expense, *divided by* available seat kilometers.

"Passenger revenue per available seat kilometer" or "PRASK" represents passenger revenue *divided by* available seat kilometers.

"Revenue passenger kilometers" or "RPK" represents the number of kilometers flown by revenue passengers.

"Revenue passengers" represents the total number of paying passengers flown on all flight segments.

"Yield per passenger kilometer" or "yield" represents the average amount one passenger pays to fly one kilometer.

WHERE YOU CAN FIND MORE INFORMATION

We are a reporting company under Section 13 or Section 15(d) of the Exchange Act and file periodic reports with the U.S. Securities and Exchange Commission, or the SEC. However, if at any time we cease to be a reporting company under Section 13 or Section 15(d) of the Exchange Act, or are not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, we will be required to furnish to any holder of a note which is a "restricted security" (within the meaning of Rule 144 under the Securities Act), or to any prospective purchaser thereof designated by such holder, upon the request of such holder or prospective purchaser, in connection with a transfer or proposed transfer of any such note pursuant to Rule 144A under the Securities Act or otherwise, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

We are subject to the informational requirements of the Exchange Act and, in accordance therewith, file reports and other information with the SEC. Such reports and other information can be inspected and copied at the public references facilities of the SEC at Room 1580, 100 F Street N.E., Washington, D.C. 20549. Copies of such material can also be obtained at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street N.E., Washington, D.C. 20549. We file materials with, and furnish material to, the SEC electronically using the EDGAR System. The SEC maintains an Internet site that contains these materials at *www.sec.gov*. In addition, such reports and other information concerning us can be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005, on which our equity securities are listed.

As a foreign private issuer, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act. For example, we are not required to prepare and issue quarterly reports, and we are exempt from the Exchange Act rules regarding the provision and control of proxy statements and regarding short-swing profit reporting and liability. However, we furnish our shareholders with annual reports containing consolidated financial statements audited by our independent auditors and make available to our shareholders free translations of our quarterly reports (Form ITR as filed with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, the "CVM")) containing unaudited consolidated financial data for the first three quarters of each fiscal year, which are furnished to the SEC under Form 6-K. We furnish quarterly consolidated financial statements with the SEC within two months of the end of each of the first three quarters of our fiscal year, and we file annual reports on Form 20-F within the time period required by the SEC, which is four months from December 31, the end of our fiscal year.

INCORPORATION BY REFERENCE

We “incorporate by reference” certain information into this offering memorandum, which means that we disclose important information to you without actually including the specific information in this offering memorandum and by referring you to other documents separately filed with or furnished to the SEC. We incorporate by reference the following documents that we have filed with or furnished to the SEC:

- Our Annual Report on Form 20-F for the year ended December 31, 2020, as filed with the SEC on March 29, 2021, or the 2020 Annual Report;
- Our Report on Form 6-K relating to our preliminary air traffic figures for the month of March 2021, as furnished to the SEC on April 6, 2021;
- Our Report on Form 6-K relating to our capital increase, as furnished to the SEC on April 29, 2021; and
- Our Report on Form 6-K relating to our unaudited interim condensed consolidated financial statements as of March 31, 2021 and for the three months ended March 31, 2021, as furnished to the SEC on May 3, 2021.

You may obtain a copy of these filings at no cost by writing us at the following address or calling us at the number below:

GOL Linhas Aéreas Inteligentes S.A.
Praça Comandante Linneu Gomes, S/N, Portaria 3
CEP: 04626-020, São Paulo, SP, Brazil
Telephone +55 (11) 2128-4000

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum. Information contained on our website is not incorporated by reference in, and shall not be considered a part of, this offering memorandum.

FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements, principally under the captions "Item 3. Key Information—D. Risk Factors," "Item 4.B. Business Overview" and "Item 5. Operating and Financial Review and Prospects" in our 2020 Annual Report. We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting us. Although we believe these estimates and forward-looking statements are based on reasonable assumptions, these estimates and statements are subject to several risks and uncertainties and are made in light of the information currently available to us. Many important factors, in addition to those discussed elsewhere in this offering memorandum, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among others:

- general economic, political and business conditions in Brazil, South America and the Caribbean;
- the effects of global financial markets and economic crises;
- developments relating to, and the economic, financial, political and health effects of, the COVID-19 global pandemic and government measures to address it;
- our ability to timely and efficiently implement any measure necessary in response to, or to mitigate the impacts of, the COVID-19 pandemic on our business, operations, cash flow, prospects, liquidity and financial condition;
- management's expectations and estimates concerning our financial performance and financing plans and programs;
- our level of fixed obligations;
- our capital expenditure plans;
- our ability to obtain financing on acceptable terms;
- our ability to service our indebtedness;
- inflation and fluctuations in the exchange rate of the *real*;
- changes to existing and future governmental regulations, including air traffic capacity controls;
- fluctuations in crude oil prices and its effect on fuel costs;
- increases in fuel costs, maintenance costs and insurance premiums;
- changes in market prices, customer demand and preferences, and competitive conditions;
- cyclical and seasonal fluctuations in our operating results;
- defects or mechanical problems with our aircraft;
- our ability to successfully implement our strategy;
- developments in the Brazilian civil aviation infrastructure, including air traffic control, airspace and airport infrastructure;
- future terrorism incidents, cyber-security threats, disease outbreaks or related occurrences affecting the airline industry; and
- the risk factors discussed under the caption "Item 3. Key Information—D. Risk Factors" in our 2020 Annual Report.

We caution you that the foregoing list may not contain all of the material factors that are important to you. The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect" and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities and the effects of regulation and competition.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. We undertake no obligation to update publicly or to revise any forward-looking statements after we distribute this offering memorandum because of new information, events or other factors. In light of the risks and uncertainties described above, the forward-looking events and circumstances discussed in this offering memorandum might not occur and are not guarantees of future performance.

SUMMARY

This summary highlights information presented in greater detail elsewhere in this offering memorandum. This summary is not complete and does not contain all the information you should consider before investing in the notes. You should carefully read this entire offering memorandum, our 2020 Annual Report and our audited consolidated financial statements before investing. See "Presentation of Financial and Other Data" and "Item 3.A. Selected Financial Data" in our 2020 Annual Report for information regarding our consolidated financial statements, definitions of technical terms and other introductory matters.

Overview

GOL is Brazil's largest domestic airline by market share, one of the largest low-cost carriers globally and the leading low-cost carrier in South America. We pioneered the low-cost carrier model in South America and believe we offer the best product and customer experience to business and leisure passengers. As a result of our experienced management, we believe we have built a resilient airline capable of maintaining sustainable competitive advantages throughout the business cycle.

Our strategy and business model allow us to adapt our supply to fluctuations in demand. Since our inception in 2001, we have had a strategic focus on sustainability and have been preparing ourselves to successfully operate in highly competitive business environments. Since the beginning of the COVID-19 pandemic, we have been working proactively with our stakeholders to further strengthen our position as the #1 airline in Brazil.

Foundation

GOL was founded in 2000 and initiated operations in 2001, when entrepreneur Constantino de Oliveira Junior pioneered the low-cost carrier concept in Brazil. Constantino de Oliveira Junior has been key to GOL's success, first as chief executive officer and, since 2012, as chairman of our board of directors. He continues to be the leading figure at GOL, both in helping set strategic direction and in his close supervision of and daily interaction with senior management. As of March 31, 2021, the Constantino family, which indirectly controls us, held 64.8% of the economic interest in us. Our corporate governance practices include a board of nine directors, with a majority of independent directors, a highly experienced executive management team and an independent audit committee.

The GOL Effect

From our launch in 2001 until today, we have been a major driver behind passenger growth in Brazil. Between 2001 and 2019, Brazil's domestic passenger market grew 3.2x, from 30.8 million passengers in 2001 to 95.3 million in 2019. Brazil's international passenger market increased 4.1x, from 3.8 million passengers in 2001 to 9.1 million passengers in 2019, excluding international carriers.

Much of this growth can be directly attributed to GOL and our low-cost carrier model. Our passenger market share in the domestic air transportation market, as measured by RPK, increased from 5% in 2001 to 38% in 2019. We have transported more than 480 million passengers since we began our operations.

The Importance of Air Transportation in Brazil

Brazil is geographically similar in size to the continental United States and, according to IATA's 2018 data, Brazil is the sixth largest domestic airline market in the world, after the United States, China, India, Indonesia and Japan. Brazilian domestic air passenger demand grew 0.8% in 2019, and IATA estimates, based on 2018 data, that it will be the fifth largest domestic airline market by 2026. Based on 2015 data, the Brazilian aviation market has significant untapped potential as flights *per capita* totaled approximately 0.5 per year, significantly below that of more established markets such as Australia (2.9) or the United States (2.5). Passenger demand declined globally in 2020 as a result of developments relating to the COVID-19 pandemic, but is expected to fully recover.

Competitive Strengths

We believe we are one of the most sustainable Latin American carriers, based on our unique business model and competitive strengths:

- *Lowest Cost and Strongest Operating Margins:*
  - Since inception, we have had the lowest operating costs of any Brazilian airline, with a CASK ex-fuel of

R$15.05 cents in 2019 and R$21.07 cents in 2020, and we have one of the lowest cost models among airlines globally.

- We have had for many years one of the highest EBITDA margins among our Latin American peers.
- Our fleet of Boeing 737 aircraft provides operational advantages that make it optimally suited for our low-cost carrier model.
- During the COVID-19 pandemic, we were one of the first airlines to enter into an agreement with our employees that offered job security for 18 months, providing flexibility and stability for our team (926 captains, 964 co-pilots and 3,262 flight attendants). We reduced airmen working hours by up to 50%. We also implemented salary cuts of 50% for middle and top managers, and 60% for vice-presidents, our chief financial officer and our chief executive officer, as well as an unpaid leave program for an average of 90 days, which 8,391 employees joined. As a result of these measures, we have reduced labor costs by approximately 44%, including compensation reductions and deferrals, which has permitted us to avoid lay-offs. During this period, we were able to manage yields more effectively than our competitors, becoming the airline with the highest yields in the domestic market in 2020.
- Currently, 100% of our fleet is under operating leases, providing us with operational flexibility. In 2020, we agreed to the early return of 11 aircraft. We also concluded negotiations with aircraft lessor partners to create significant additional operational and financial flexibility, converting a portion of the monthly payments from fixed to variable power-by-the-hour and adjusting the contracts to the expected recovery of demand through 2021. We expect that total estimated cash flow savings in 2021 resulting from these contractual adjustments will exceed R$1.2 billion.

- *Flexible, Single Fleet Type:*
  - Our single fleet strategy provides significant operational flexibility. In 2019, we had best in class aircraft utilization, with 12.3 block hours per day, one of the highest in the world. Our aircraft financings are structured for maximum operational flexibility, and, currently, we lease 100% of our aircraft from global operating lessors. In 2020, during the COVID-19 pandemic, we were able to maintain our high block hours at 9.6, due to the reduction in our operating fleet. We retain full optionality to extend leases or return aircraft at maturity, providing significant flexibility in managing our fleet size.
  - In early 2020, we had 18 aircraft under short-term operating leases, allowing us to reduce our fleet size by 14% in the short term via redeliveries. At the end of 2020, our total fleet comprised 127 Boeing 737 aircraft, of which 120 were Next Generation aircraft and seven were MAX aircraft. To match supply with expected demand, we are working toward gradually transitioning our fleet to the MAX. In 2020, we had a net reduction of our Next Generation fleet of 10 leased aircraft. We plan to further reduce our Next Generation fleet by 22 aircraft in 2021 and 2022, in tandem with the transition to MAX aircraft. By end of 2021, we expect to have 127 aircraft and 15% of our fleet transitioned to the MAX. We had an average operating fleet of 63 and 91 aircraft in the third and fourth quarters of 2020, representing, respectively, 56% and 81% of our average operating fleet in 2019, as a result of aircraft groundings in response to decreased demand deriving from developments relating to the COVID-19 pandemic. We have reduced our 2020-2022 Boeing 737 MAX deliveries by 34 aircraft and have flexibility to make further reductions, allowing us to defer delivery of the aircraft until passenger demand requires the additional capacity.
  - The benefits and flexibility granted by our single fleet type was also evidenced in our ability to rapidly and efficiently adjust to increasing demand between August and December of 2020, when the first wave of COVID-19 cases started decreasing. We expect a similarly strong demand recovery as the vaccination program in Brazil advances, as was the case in the United States, where vaccination is most advanced, and where demand has since January 2021 increased to 48% of 2019 levels and certain domestic traffic has recovered to pre-pandemic levels. Globally, Brazil currently ranks fifth in the pace of daily vaccination.
  - Since 2001, we have forged a deep relationship with Boeing, allowing us to obtain favorable terms for the pricing and delivery of aircraft. Attractive pricing, together with our financing strategy, allow us to create significant value in our aircraft acquisitions. In March 2020, we announced an agreement in which Boeing compensated us for the grounding of the 737 MAX aircraft. The agreement bolstered our liquidity by nearly R$607.5 million in 2020. Additionally, the agreement allowed us to adjust our order book, reducing firm commitments from 129 to 95 aircraft with the flexibility of further reductions.

- In November 2020, each of the Federal Aviation Administration, or FAA, and ANAC lifted its 2019 decision to ground Boeing 737 MAX aircraft in the United States and Brazil, respectively, and we were the first airline globally to reinitiate operations of the MAX. We remain strongly committed to the MAX aircraft and expect our MAX operations will generate significant operating cost savings.

- *Highest Load Factors and Passenger Capacity:* Our load factor has been best-in-class in Brazil for many years. Even during the peak of the pandemic, in April and May 2020 as well as in February and March 2021, with a largely reduced fleet and flight network, we reported load factors above 75%. In 2020, although our total demand decreased 51.9%, as compared to 2019, we were the only airline in Brazil that kept our average load factor at 80.0%, due to our fleet size flexibility. Our single fleet model and proactive fleet management increased our fleet flexibility, which allowed us to follow varying demand levels for flights without meaningfully impacting our load factors.
- *Dominant Market Position in Key Airports*: In 2020, we were the largest player in four of the ten busiest airports in Brazil, with an average market share in excess of 47.0%, and we were the leading airline in 40.0% of the 30 largest airports in Brazil, which together represented 93.0% of domestic air traffic by passengers in Brazil.
- *Highest Ranking in Customer Service:* We have made a significant investment in our product offering, including features such as loyalty program integration, onboard service, onboard entertainment and comfortable seats, among others. We believe we offer more complete products and services than any other leading global low-cost carrier, allowing us to capture the largest portion of premium business and economy leisure customers. Both groups of customers value the experience we offer, allowing us to extract higher yields and a leading share of customer wallet. We are a leader in technology development and digital solutions, enabling us to offer the best passenger experience, with a Net Promoter Score of 38 points in 2020.
- *Meaningful ESG Track Record and Initiatives:* Since 2010, we have prepared annual sustainability reports based on Global Reporting Initiative guidelines, an international standard for reporting environmental, social and economic performance. By adopting these parameters and providing related data to the public, we are reinforcing our accountability with various stakeholders through added transparency and credibility. Among our initiatives are our voluntary adherence, since 2016, to the carbon pricing leadership coalition, which is a global initiative to price carbon emissions, as well as multiple campaigns and associations dedicated to promoting best ESG practices both in the airline industry and generally. We also maintain social initiatives relating to our workforce, customer satisfaction and safety, as well as governance initiatives through leadership, committees, policies and shareholder meetings.
- *Best Route Network, Loyalty Program and Global Partnerships:* We have a highly integrated network, operating the most flights at Brazil's busiest airports. Before the COVID-19 pandemic commenced in Brazil, we were, in 2019, the largest Brazilian airline with over 36 million annual passengers transported and a domestic market share of 38%, as measured by RPK, and we have since then been able to further improve our competitive market position. We operate the leading Brazilian airline loyalty program, with 18.2 million members as of December 31, 2020. We have entered into 14 codeshare agreements, 16 frequent flyer agreements and 76 interline agreements, allowing our customers to connect seamlessly to 177 airports around the world. Since 2020, we have established a new partnership and codeshare agreement with American Airlines, the leading provider of air service between the United States and Brazil. In addition, since 2020, we established codeshare agreements with Avianca Holdings, Alitalia and Ethiopian Airlines to strengthen our international presence.
- *Domestic Market Focus:* Our network of flights has always been focused on national and regional routes within South America and Brazil, which are returning to normal levels of traffic faster than inter-continental routes prioritized by some of our competitors. We have benefitted from the competitive dynamic that has led to certain competitors pursuing credit restructuring and Chapter 11 bankruptcy procedures, which have further decreased the supply of flights in the market.
- *Leading Cargo Business*: We are Brazil's second largest cargo airline with a 26.9% market share as measured by ATKs, and our cargo revenues increased from 2.8% of our gross revenue in 2019 to 4.8% in 2020. Through GOLLOG, we generate cargo revenue through the use of cargo space on regularly scheduled passenger aircraft. Our cargo business has grown at higher rates than our passenger travel business, in large part because we count with an excellent and diversified base of clients in the B2B segment and e-commerce markets, and are well-positioned to support this market's expected growth as we forge and strengthen our client relationships. We are committed to delivering quality air freight solutions and believe our cargo business will be an increasingly important contributor to our financial performance.

- *Leading MRO Service Provider*: In 2019, we launched GOL Aerotech, our business unit dedicated to providing MRO services, including to third parties. We have more than 14 years of experience providing maintenance, preventive maintenance and modifications on our own aircraft. Expanding this service to third parties through our MRO business equips us with important competitive advantages, including additional revenues and cash flow and leverage on our operating costs, and is an important contributor to our EBITDA. We operate the largest MRO facility in Brazil, with over 1.0 million square feet of hangar and ramp areas, six shops, more than 60,000 square feet of parts storage area and over 700 employees. Our MRO facility has been temporarily closed as a part of our cost reduction measures.
- *GOLLabs*: In 2018, we created GOLLabs, our innovation business dedicated to researching and developing new technologies and services to generate new revenues and reduce costs, including by optimizing our pricing and route strategies and enhancing our customer experience through initiatives such as face recognition technology to facilitate check-in and boarding procedures, media streaming partnerships to provide enhanced entertainment options and a customer service platform through mobile chat applications, among others. GOLLabs is responsible for the entire lifecycle of the development of an innovative concept, including market testing and analytics and implementation and training, and plays a key role in creating value in our other business lines.

Throughout 2020, we maintained liquidity without impairing our balance sheet. We entered into discussions with key suppliers to reduce our costs and adjust them to the new network and fleet profiles. We were able to defer jet fuel payment installments to after September 30, 2020. All non-essential investments in operations and maintenance have been eliminated, as have any pre-delivery payment obligations. We were able to make significant adjustments to our working capital by extending our payment terms and managing other current assets and liabilities. We have also been able to raise new financing to continue to pay down short term maturities at par, while terming out the average maturity of our debt profile. In March 2020, we extended the amortization schedule of our debentures to March 2022. In August 2020, we fully paid down our US$300.0 million term loan, with the support of a loan in the principal amount of US$250.0 million, while also extending out the average maturity of our debt and keeping liquidity close to unchanged. In December 2020, we issued US$200.0 million in aggregate principal amount of 8.00% senior secured notes due 2026. Also in December 2020, we prepaid R$800.0 million in short term debt. For further details on these financings, see note 17 to our unaudited interim condensed consolidated financial statements.

We have been managing our business and liquidity since the beginning of the pandemic, by matching cash inflows with outflows in an efficient manner. As of March 31, 2021, we had R$1.8 billion in Total Liquidity, which includes R$1.0 billion in liquidity held in our loyalty program subsidiary Smiles Fidelidade S.A., or Smiles, and, as of that date, including financeable amounts of deposits and unencumbered assets, our potential liquidity sources reached over R$3.4 billion. We will continue to seek to manage our negative working capital of R$8.4 billion, as of March 31, 2021, by reducing costs, rolling over and deferring short-term obligations with our suppliers and counterparties, most of which have been supportive of GOL during the course of the pandemic. For further information, see "Risk Factors—Risks Relating to Us and the Brazilian Airline Industry—We may not be able to maintain adequate liquidity and our cash flows from operations and financings may not be sufficient to meet our current obligations."

Recent Developments regarding SMILES

On March 24, 2021, shareholders of GOL and the majority of SMILES' minority shareholders approved the corporate reorganization to combine the Company's airline subsidiary with SMILES. Payment will be made to SMILES minority shareholders in June 2021 and, once the merger is completed, both companies will be better positioned to increase their respective market competitiveness and cash flow generation. The successful completion of this transaction will substantially reduce the risks that each company faces in the pandemic and will provide operating, liquidity, financial and fiscal synergies. As a combined entity, we will be better able to improve revenue and liquidity management, more dynamically manage the inventory of seats, improve its ability to coordinate marketing to customers and be better positioned to optimize yields.

On March 25, 2021, SMILES announced the distribution of R$500 million in dividends that were paid on April 16, 2021. Of the R$4.03 per share dividend paid by SMILES, GOL received R$265 million from the dividend with the balance paid to the SMILES minority shareholders.

As a result of the above-mentioned dividend, the value of the exchange ratio in the corporate reorganization will be automatically adjusted, and the portion due in cash will be reduced accordingly. Under the base exchange ratio, the cash component of the consideration is reduced from R$9.14 per share to R$5.11 per share and the optional exchange ratio cash component of the consideration is reduced from R$22.54 per share to R$18.51 per share. There is no change to the stock consideration in the corporate reorganization due to the payment of the dividend under either the base or optional exchange

ratios. Assuming that 70% of the minority shareholders of SMILES elect to receive the more stock option, the expected cash required to close the corporate reorganization will be approximately R$500 million.

A portion of the proceeds of the dividend was used to partially prepay the secured loan with Delta, which, as of the date of this offering memorandum, has an outstanding principal amount of US$25.8 million. For further information on the secured loan with Delta, see “Recent Developments—Liquidity and Capital Resources—Indebtedness.

The SMILES merger consideration allows the SMILES minority shareholders to elect their desired consideration mix consisting of two choices: (i) the “base exchange ratio”, which provides for more stock and is the option automatically selected unless shareholders elect otherwise, and (ii) the “optional exchange ratio’, which provides for more cash which requires shareholders to affirmatively to elect this option. Given that this transaction is, in our view, highly credit accretive, due to the significant monthly cash flow generation of SMILES and the significant value of the SMILES brand and intellectual property, we expect that financing for the cash portion of the merger consideration can be largely sourced from internally generated cash flow or can be obtained at acceptable terms under most market conditions.

Financial and Operating Data Highlights

The following tables set forth our main financial indicators and operating performance indicators as of the dates and for the periods presented:

Financial Data

	As of and for the year ended December 31,				As of and for the three months ended March 31,		
	2018	2019	2020	2020[1]	2020	2021	2021[1]
	(in thousands of R$, except percentages)			*(in thousands of US$, except percentages)*	*(in thousands of R$, except percentages)*		*(in thousands of US$, except percentages)*
Net income (loss)	(779,724)	179,338	(5,895,251)	(1,034,799)	(2,261,609)	(2,505,791)	(439,844)
EBITDA[2]	2,068,478	3,860,721	918,708	161,262	1,553,457	(186,205)	(32,685)
EBITDA Margin[3]	18.1%	27.8%	14.4%	14.4%	49.4%	(11.9)%	(11.9)%
Operating margin[4]	12.3%	15.4%	(14.9)%	(14.9)%	32.6%	(33.3)%	(33.3)%
Adjusted EBITDA[5]	2,100,919	4,208,582	1,086,296	190,679	1,465,999	(72,094)	(12,655)
Adjusted EBITDA Margin[6]	18.4%	30.4%	17.0%	17.0%	46.6%	(4.6)%	(4.6)%
Adjusted Operating Margin[7]	12.6%	17.9%	(0.3)%	(0.3)%	29.8%	(22.1)%	(22.1)%
Net cash flows from operating activities	2,081,869	2,461,076	753,936	132,339	1,090,605	4,639	814
Net cash flows from (used in) investing activities	(1,587,256)	(754,611)	31,770	5,577	(1,389,321)	(20,639)	(3,623)
Net cash flows used in financing activities	(753,189)	(892,173)	(1,935,497)	(339,740)	(855,995)	(264,256)	(46,385)
Total Liquidity[8]	2,980,011	4,273,023	2,576,471	452,250	n.a.	1,797,682	315,549

Operating Data

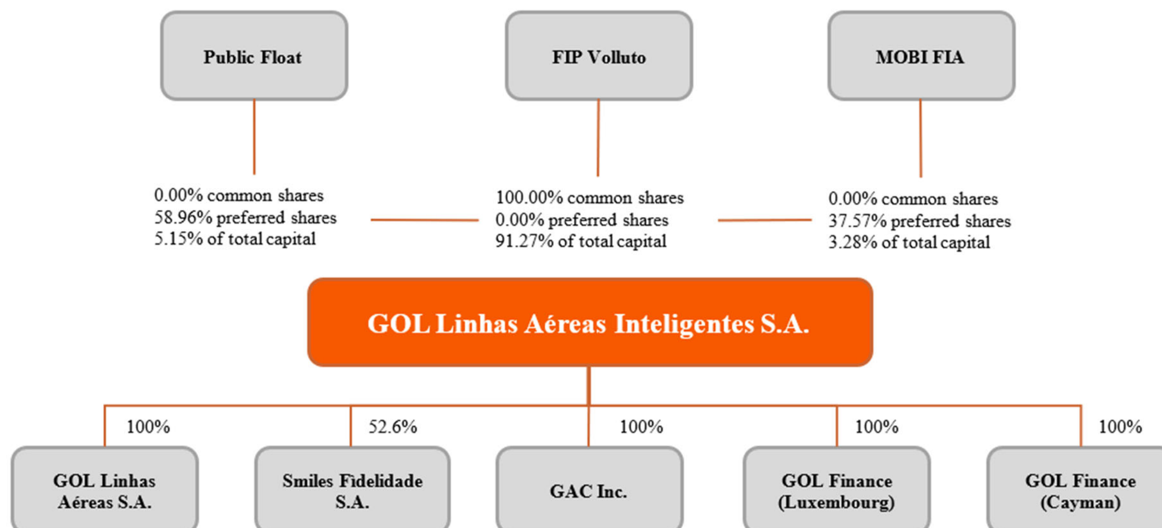
	Year ended December 31			Three months ended March 31,	
	2018	2019	2020	2020	2021
Operating aircraft at period end	121	130	127	131	127
Total aircraft at period end	121	137	127	131	127
Revenue passengers carried (in thousands)[9]	33,446	36,445	16,776	8,346	4,495
Revenue passenger kilometers (RPK) (in millions)[9]	38,423	41,863	20,126	9,947	5,592
Available seat kilometers (ASKs) (in millions)[9]	48,058	51,065	25,142	12,462	6,999
Load factor	80.0%	82.0%	80.0%	79.8%	79.9%
Break-even load factor	70.1%	66.3%	80.0%	56.0%	96.9%
Aircraft utilization (block hours per day)	11.8	12.3	9.6	12.1	9.7
Average fare (R$)	318	359	345	352	315
Passenger revenue yield per RPK (R$ cents)	27.6	31.2	28.7	29.6	25.3
PRASK (R$ cents)	22.1	25.6	23.0	23.6	20.2
RASK (R$ cents)	23.7	27.2	25.3	25.3	22.4
CASK (R$ cents)	20.8	23.0	29.1	17.0	29.9
CASK ex-fuel (R$ cents)	12.8	15.1	21.1	9.0	21.8
Adjusted CASK (R$ cents)[10]	20.8	22.3	25.4	17.7	27.3

	Year ended December 31			Three months ended March 31,	
	2018	2019	2020	2020	2021
Adjusted CASK ex-fuel (R$ cents)[10]	12.8	14.4	17.4	9.7	19.2
Departures	250,040	259,377	124,528	62,956	32,797
Departures per day	685	711	340	692	364
Destinations served	69	77	63	75	62
Average stage length (kilometers)	1,098	1,114	1,152	1,136	1,205
Active full-time equivalent employees at year end	15,259	16,113	13,899	16,345	13,999
Fuel liters consumed (in millions)	1,403	1,475	722	363	192
Average fuel expense per liter (R$)	2.91	2.79	2.55	2.78	2.61

(1) Translated for convenience using the U.S. dollar selling rate as reported by the Central Bank of R$5.697 to US$1.00 as of March 31, 2021.
(2) We calculate EBITDA as net income (loss) *plus* financial results, net, exchange rate variation, net, income taxes and depreciation and amortization. EBITDA is not a measure of financial performance recognized under IFRS, nor should it be considered an alternative to net income (loss) as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. EBITDA is not calculated using a standard methodology and may not be comparable to the definition of EBITDA or similarly titled measures used by other companies. Because our calculation of EBITDA eliminates financial results, net, exchange rate variation, net, income taxes and depreciation and amortization, we believe that our EBITDA provides an indication of our general economic performance, without giving effect to interest rate or exchange rate fluctuations, changes in income and social contribution tax rates or depreciation and amortization.
(3) We calculate EBITDA Margin as EBITDA *divided* by total net revenue for the relevant period.
(4) We calculate operating margin as income before financial results, exchange rate variation, net and income taxes *divided by* total net revenue.
(5) We calculate Adjusted EBITDA as EBITDA *plus* non-recurring results, net and, in 2019, certain other expenses, principally related to MAX disruption net contingencies and additional costs incurred in restructuring aircraft redeliveries and, in 2020, expenses principally related to MAX disruption net contingencies, restructuring aircraft redeliveries and labor idleness, and for the three months ended March 31, 2021, expenses principally related to restructuring aircraft redeliveries and labor idleness. Adjusted EBITDA does not exclude the effects of the pandemic (aircraft grounding and expenses not strictly related to our current level of operations), which management believes were approximately R$1.3 billion in 2020. Adjusted EBITDA is not a measure of financial performance recognized under IFRS, nor should it be considered an alternative to net income (loss) as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. Adjusted EBITDA is not calculated using a standard methodology and may not be comparable to the definition of "adjusted EBITDA" or similarly titled measures used by other companies. Because our Adjusted EBITDA eliminates non-recurring effects on our results of operations, we believe that our Adjusted EBITDA provides an important tool to compare our performance across periods.
(6) We calculate Adjusted EBITDA Margin as Adjusted EBITDA *divided by* total net revenue for the relevant period.
(7) We calculate Adjusted Operating Margin as income before financial results, exchange rate variation, net and income taxes, *plus* non-recurring results, net and expenses related to fleet and labor idleness *divided by* total net revenue. Because our Adjusted Operating Margin eliminates non-recurring effects on our results of operations, we believe that our Adjusted Operating Margin provides an important tool to compare our performance across periods.
(8) We calculate Total Liquidity as the sum of our cash and cash equivalents, current and noncurrent restricted cash, short-term investments and trade receivables; Total Liquidity does not reflect our negative working capital as of the dates presented. For information regarding our negative working capital, see note 1.2 to our unaudited interim condensed consolidated financial statements.
(9) Source: National Civil Aviation Agency (*Agência Nacional de Aviação Civil*), or ANAC.
(10) We calculate adjusted CASK as CASK excluding non-recurring results, net and, in 2020, expenses related to fleet and labor idleness.

Corporate Structure

The following chart summarizes our corporate structure as of the date of this offering memorandum:



Our principal executive offices are located at Brazil's largest domestic airport, the Congonhas airport, at Praça Comandante Linneu Gomes, S/N, Portaria 3, Jardim Aeroporto, 04626-020, São Paulo, SP, Brazil, and the telephone number of our investor relations department is +55 (11) 2128-4700. Our website is *www.voegol.com.br* and investor information may be found on our website under *www.voegol.com.br/ir*. Information contained on our website is not incorporated by reference, and is not to be considered a part of, this offering memorandum.

GOL Finance is a public limited liability company (*société anonyme*) under the laws of Luxembourg, having its registered office at 17, Boulevard Raiffeisen, L-2411 Luxembourg, and registered with the Luxembourg Register of Commerce and Companies (*R.C.S. Luxembourg*) under number B 178497, and is a financing subsidiary of GLAI.

THE OFFERING

Following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see "Description of Notes" in this offering memorandum. You should carefully read this entire offering memorandum including the documents incorporated by reference herein before investing. This summary is not complete and does not contain all the information you should consider before investing.

Issuer..	GOL Finance, a public limited liability company (*société anonyme*) organized and established under the laws of the Grand Duchy of Luxembourg, having its registered office at 17, Boulevard Raiffeisen, L-2411 Luxembourg, and registered with the Luxembourg Register of Commerce and Companies (*R.C.S. Luxembourg*) under number B 178497.
Guarantors	Gol Linhas Aéreas Inteligentes S.A. ("GLAI") and Gol Linhas Aéreas S.A. ("GLA").
Securities offered	US$300.0 million aggregate principal amount of 8.00% senior secured notes due 2026.
Further issuance	The notes are being offered as a further issuance of and will be consolidated and form a single fungible series with the Issuer's US$200.0 million in aggregate principal amount of 8.00% senior secured notes due 2026 initially issued on December 23, 2020, which would bring the total aggregate outstanding principal amount of the Issuer's 8.00% senior secured notes due 2026 to US$500.0 million.
GOL secured debt program......................................	This offering is an offering of securities under GOL's secured debt issuance program, which is designed to complement GOL's senior unsecured bond issuances. The collateral securing the notes and other collateral that may be added in the future is available to serve as collateral for other GOL issuance of secured indebtedness, subject to the applicable collateral ratios and to the terms and conditions of the notes and intercreditor agreement. See "Description of Collateral," "Description of the Intercreditor Agreement," and "Description of Notes" below for further details.
Guarantees	The Guarantors will unconditionally and irrevocably guarantee, on a senior secured basis, all of the Issuer's obligations pursuant to the notes and the indenture governing the notes. See "Description of Notes—Guarantees."
Issue price..	100.00% *plus* accrued and unpaid interest from, and including, December 23, 2020.
Issue date...	May 11, 2021.
Maturity date	June 30, 2026.

Interest .... The notes will bear interest from December 23, 2020 at the annual rate of 8.00%, payable semiannually in arrears on each interest payment date.

Purchasers of the notes will be required to pay accrued interest of approximately US$30.67 per US$1,000 principal amount of notes, from and including December 23, 2020 up to but excluding May 11, 2021, which is the date we expect to deliver the notes, *plus* accrued interest from and including May 11, 2021, if settlement occurs after that date.

Denominations .... The notes will be issued in minimum denominations of $2,000 and multiples of $1,000 in excess thereof.

Optional redemption .... The Issuer may redeem the notes, in whole or in part, on and after December 24, 2022, at the applicable redemption prices set forth in this offering memorandum together with accrued and unpaid interest and any additional amounts, if any. See "Description of Notes—Redemption—Optional Redemption."

Tax redemption .... The Issuer may redeem the notes, in whole but not in part, at 100% of their principal amount, together with accrued and unpaid interest, at any time upon the occurrence of specified events relating to applicable tax laws as described under "Description of Notes—Redemption—Tax Redemption."

Additional amounts .... Payments of interest on the notes will be made after withholding and deduction for any Luxembourg or Brazilian taxes as set forth under "Taxation." The Issuer, in respect of the notes, and the Guarantors, in respect of the guarantees, will pay such additional amounts as will result in receipt by the holders of notes of such amounts as would have been received by them had no such withholding or deduction for Luxembourg or Brazilian taxes been required, subject to certain exceptions set forth under "Description of Notes—Additional Amounts."

Covenants .... The terms of the notes contain certain limited non-financial covenants and other provisions designed to protect holders of the notes in the event that the Issuer or the Guarantors or any other of the Guarantors' present or future subsidiaries participate in a highly leveraged transaction. The terms of the notes do not permit the Issuer and the Guarantors to consolidate or merge with, or transfer all or substantially all of their respective assets to, another person, or to enter into transactions with affiliates, unless the Issuer or the Guarantors, as the case may be, complies with certain requirements.

Change of control offer .... Upon the occurrence of a change of control, the holders of the notes will have the right to require the

Issuer to repurchase some or all of their notes at 101% of their principal amount, *plus* accrued and unpaid interest, if any, on the repurchase date. See "Description of Notes—Repurchase of Notes upon a Change of Control."

Collateral — The notes and the related guarantees are secured by a first-priority security interest in certain spare parts and intellectual property, as described herein. Upon the issuance of any additional notes or to cure any LTV ratio deficiency, as defined herein, the notes and the guarantees may also be secured on a first-priority basis by certain additional collateral, at our option, including aircraft collateral, flight simulator collateral and spare engines, as well as non-credit card backed receivables collateral and certain Smiles collateral. see "Description of Notes—Collateral."

Collateral documents — On December 23, 2020, the Issuer and the Guarantors entered into certain collateral documents with the collateral agent as to certain matters relating to the first-priority security interests in the collateral in respect of the notes (and the guarantees), pursuant to the indenture governing the notes and the collateral documents, as well as certain other matters relating to the administration of such security interests. The collateral documents will set forth the terms on which the collateral agent will receive, hold, administer, enforce and distribute the proceeds of all of its liens upon the collateral. See "Description of Notes—Use and Possession of Spare Parts and Engines."

Shared collateral and intercreditor agreement — The first priority security interest in the collateral granted to the holders of the notes will be held *pari passu* with the holders of certain indebtedness, if any, that may be issued by the Issuer subsequently to this offering, subject to the collateral ratio and pursuant to the terms of an intercreditor agreement. See "Description of Notes—Collateral."

Events of default — The notes and the indenture will contain certain events of default, consisting of, among others, the following:

- failure to pay the principal when due or failure to pay interest in respect of the notes within 30 days of the due date for an interest payment;
- failure to comply with the LTV ratio specified in the covenants, and such failure continues after the expiry of certain cure periods;
- failure to comply with the Issuer's and the Guarantors' other covenants with such failure continuing for 60 days after written notice has been delivered to the Issuer and the Guarantors;

- any indebtedness of the Issuer, the Guarantors or any of the significant subsidiaries of GLAI exceeding US$50.0 million that is not paid when due or is accelerated;

- specified events of bankruptcy, liquidation or insolvency of GLAI or of any of its subsidiaries; and

- if any of the collateral documents cease to be in full force and effect or if any security interest under the collateral documents ceases to be enforceable and of the same effect and priority purported to be created thereby.

For a full description of the events of default, see "Description of Notes—Events of Default."

Further issuances	The Issuer may, subject to the terms of the indenture, from time to time without notice to or consent of the holders of notes create and issue additional notes of the same series as the notes offered hereby and the notes initially issued on December 23, 2020, having the same terms and conditions of the notes in all respects; provided that if any such additional notes are not fungible with the notes initially offered hereby for U.S. federal income tax purposes, such additional notes will have a separate CUSIP number. Any such issue will be consolidated with the notes offered hereby and the notes initially issued on December 23, 2020, and will be treated as a single class for all purposes of the indenture, including waivers and amendments. See "Description of Notes—Further Issuances."
Use of proceeds	We intend to use the net proceeds from this offering for general corporate purposes, including liability management and opportunistic aircraft acquisitions.
Book-entry form	The notes will be issued in book-entry form through the facilities of DTC. Holders of beneficial interests in notes held in book-entry form will not be entitled to receive physical delivery of certificated notes, except in certain limited circumstances.
Listing	The initial notes are listed, and the Issuer will apply to the SGX-ST and will use commercially reasonable efforts to obtain permission to list the notes offered hereby, on the main board of the SGX-ST, where the notes will be traded in a minimum board lot size of US$200,000 (or its equivalent in foreign currencies). We cannot guarantee the listing will be obtained. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the notes or the Issuer.
Governing law	The indenture is and the guarantees and the notes will

be governed by the laws of the State of New York. The collateral documents will be governed by Brazilian law. For the avoidance of doubt, Articles 470-1 to 470-19 of the Luxembourg Act, dated August 10, 1915, on commercial companies, as amended, are expressly excluded and will not be applicable to the notes or the guarantees.

Initial purchasers.. BofA Securities, Inc., Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, Evercore Group L.L.C., Credit Agricole Securities (USA) Inc., BCP Securities, LLC, Banco BTG Pactual S.A.— Cayman Branch, Santander Investment Securities Inc., UBS Securities LLC, Banco Bradesco BBI S.A. and Banco Safra S.A. (acting through its Cayman Islands Branch).

Ranking of the notes and the guarantees................. The notes and the guarantees will be senior, secured obligations of the Issuer and the Guarantors and will rank:

(i) equally in right of payment with all existing and future senior indebtedness of the Issuer and the Guarantor;

(ii) senior in right of payment to any subordinated indebtedness of the Issuer and the Guarantors;

(iii) effectively senior to all of the existing and future unsecured indebtedness of the Issuer and the Guarantors to the extent of the value of the collateral that is available to satisfy the obligations under the notes and the guarantees and any other indebtedness secured by the collateral; and

(iv) structurally subordinated to all indebtedness of each subsidiary of the Issuer or the Guarantors that is not a guarantor of the notes.

Trustee, transfer agent, registrar and paying agent.. The Bank of New York Mellon.

Collateral agent... TMF Brasil Administração e Gestão de Ativos LTDA.

Transfer restrictions... The notes have not been registered under the Securities Act and are subject to certain restrictions on transfer. See “Transfer Restrictions.”

Selling restrictions .... There are restrictions on persons to whom notes can be sold, and on the distribution of this offering memorandum, as described in “Plan of Distribution.”

Risk factors.. See “Item 3. Key Information—D. Risk Factors” in our 2020 Annual Report and “Risk Factors” and the other information in this offering memorandum before investing in our notes.

SUMMARY FINANCIAL AND OTHER INFORMATION

The following table presents a summary of our historical consolidated financial and operating data for each of the periods indicated. You should read this information together with "Item 5. Operating and Financial Review and Prospects" in our 2020 Annual Report and our audited consolidated financial statements.

Solely for the convenience of the reader, we have translated some of the *real* amounts in this offering memorandum into U.S. dollars at the rate of R$5.697 to US$1.00, which was the U.S. dollar selling rate in effect as of March 31, 2021, as reported by the Central Bank, and should not be construed as implying that the criteria used followed the criteria established in IAS No. 21 – The Effects of Changes in Foreign Exchange Rates.

Summary Financial and Operating Data

Summary Financial Data

Statements of Operations Data

	Year ended December 31,				Three months ended March 31,		
	2018	**2019**	**2020**	**2020[1]**	**2020**	**2021**	**2021[1]**
		(in thousands of R$)		*(in thousands of US$)*	*(in thousands of R$)*		*(in thousands of US$)*
Net revenue:							
Passenger	10,633,488	13,077,743	5,783,323	1,015,152	2,941,333	1,416,278	248,601
Mileage program, cargo and other	777,866	786,961	588,494	103,299	206,394	151,349	26,566
Total net revenue	**11,411,354**	**13,864,704**	**6,371,817**	**1,118,451**	**3,147,727**	**1,567,627**	**275,167**
Operating costs and expenses:							
Salaries, wages and benefits	(1,903,852)	(2,361,268)	(1,765,628)	(309,922)	(595,223)	(464,432)	(81,522)
Aircraft fuel	(3,867,673)	(4,047,344)	(2,025,701)	(355,573)	(1,001,138)	(566,128)	(99,373)
Aircraft rent[2]	(1,112,837)	-	-	-	-	-	-
Landing fees	(743,362)	(759,774)	(411,065)	(72,155)	(201,742)	(114,065)	(20,022)
Aircraft, traffic and mileage servicing	(613,768)	(707,392)	(723,244)	(126,952)	(173,968)	(187,102)	(32,842)
Passenger service expenses	(474,117)	(578,744)	(389,998)	(68,457)	(176,041)	(108,016)	(18,960)
Sales and marketing	(581,977)	(670,392)	(324,185)	(56,905)	(118,012)	(66,361)	(11,648)
Maintenance, materials and repairs	(570,333)	(569,229)	(335,868)	(58,955)	(144,321)	(153,366)	(26,920)
Depreciation and amortization[2]	(668,516)	(1,727,982)	(1,870,552)	(328,340)	(528,036)	(336,299)	(59,031)
Other income (expenses), net	524,656	(309,917)	523,019	91,806	816,175	(94,362)	(16,563)
Total operating costs and expenses	**(10,011,779)**	**(11,732,042)**	**(7,323,222)**	**(1,285,452)**	**(2,122,306)**	**(2,090,131)**	**(366,883)**
Equity pick up method	387	77	(439)	(77)	-	-	-
Operating income (loss) before exchange rate variation, net	**1,399,962**	**2,132,739**	**(951,844)**	**(167,078)**	**1,025,421**	**(522,504)**	**(91,716)**
Financial income	259,728	389,563	736,969	129,361	698,246	143,420	25,175
Financial expense[2]	(1,061,089)	(1,748,265)	(2,546,192)	(446,936)	(998,456)	(568,498)	(99,789)
Income before exchange rate variation, net and income taxes	**598,601**	**774,037**	**(2,761,067)**	**(484,653)**	**725,211**	**(947,582)**	**(166,330)**
Exchange rate variation, net	(1,081,197)	(385,092)	(3,056,226)	(536,462)	2,943,404	(1,537,240)	269,833
Income (loss) before income taxes	**(482,596)**	**388,945**	**(5,817,293)**	**(1,021,115)**	**(2,218,193)**	**(2,484,822)**	**(436,163)**
Income taxes and social contributions	(297,128)	(209,607)	(77,958)	(13,684)	(43,416)	(20,969)	(3,681)
Net income (loss)	**(779,724)**	**179,338**	**(5,895,251)**	**(1,034,799)**	**(2,261,609)**	**(2,505,791)**	**(439,844)**
Equity holders of the parent company	305,669	296,611	92,877	16,303	26,660	22,612	3,969
Non-controlling interest shareholders	**(1,085,393)**	**(117,273)**	**(5,988,128)**	**(1,051,102)**	**(2,288,269)**	**(2,528,403)**	**(443,813)**

Other Financial Data

	As of and for the year ended December 31,				As of and for the three months ended March 31,		
	2018	2019	2020	2020[1]	2020	2021	2021[1]
	(in thousands of R$ except percentages)			*(in thousands of US$)*	*(in thousands of R$ except percentages)*		*(in thousands of US$)*
Net income (loss)	(779,724)	179,338	(5,895,251)	(1,034,799)	(2,261,609)	(2,505,791)	(439,844)
EBITDA[3]	2,068,478	3,860,721	918,708	161,253	1,553,457	(186,205)	(32,685)
EBITDA Margin[4]	18.1%	27.8%	14.4%	14.4%	49.4%	(11.9)%	(11.9)%
Operating margin[5]	12.3%	15.4%	(14.9)%	(14.9)%	32.6%	(33.3)%	(33.3)%
Adjusted EBITDA[6]	2,100,919	4,208,582	1,086,296	190,669	1,465,999	(72,094)	(12,655)
Adjusted EBITDA Margin[7]	18.4%	30.4%	17.0%	17.0%	46.6%	(4.6)%	(4.6)%
Adjusted Operating Margin[8]	12.6%	17.9%	(0.3)%	(0.3)%	29.8%	(22.1)%	(22.1)%
Net cash flows from operating activities	2,081,869	2,461,076	753,936	132,339	1,090,605	4,639	814
Net cash flows from (used in) investing activities	(1,587,256)	(754,611)	31,770	5,576	(1,389,321)	(20,639)	(3,623)
Net cash flows (used in) financing activities	(753,189)	(892,173)	(1,935,497)	(339,722)	(855,995)	(264,256)	(46,385)
Total Liquidity[9]	2,980,011	4,273,023	2,576,471	452,250	n.a.	1,797,682	315,549

Summary Operating Data

	Year ended December 31			Three months ended March 31,	
	2018	2019	2020	2020	2021
Operating aircraft at period end	121	130	127	131	127
Total aircraft at period end	121	137	127	131	127
Revenue passengers carried (in thousands)[10]	33,446	36,445	16,776	8,346	4,495
Revenue passenger kilometers (RPK) (in millions)[10]	38,423	41,863	20,126	9,947	5,592
Available seat kilometers (ASKs) (in millions)[10]	48,058	51,065	25,142	12,462	6,999
Load factor	80.0%	82.0%	80.0%	79.8%	79.9%
Break-even load factor	70.1%	66.3%	80.0%	56.0%	96.9%
Aircraft utilization (block hours per day)	11.8	12.3	9.6	12.1	9.7
Average fare (R$)	318	359	345	352	315
Passenger revenue yield per RPK (R$ cents)	27.6	31.2	28.7	29.6	25.3
PRASK (R$ cents)	22.1	25.6	23.0	23.6	20.2
RASK (R$ cents)	23.7	27.2	25.3	25.3	22.4
CASK (R$ cents)	20.8	23.0	29.1	17.0	29.9
CASK ex-fuel (R$ cents)	12.8	15.1	21.1	9.0	21.8
Adjusted CASK (R$ cents)[11]	20.8	22.3	25.4	17.7	27.3
Adjusted CASK ex-fuel (R$ cents)[11]	12.8	14.4	17.4	9.7	19.2
Departures	250,040	259,377	124,528	62,956	32,797
Departures per day	685	711	340	692	364
Destinations served	69	77	63	75	62
Average stage length (kilometers)	1,098	1,114	1,152	1,136	1,205
Active full-time equivalent employees at year end	15,259	16,113	13,899	16,345	13,999
Fuel liters consumed (in millions)	1,403	1,475	722	363	192
Average fuel expense per liter (R$)	2.91	2.79	2.55	2.78	2.61

(1) Translated for convenience using the U.S. dollar selling rate as reported by the Central Bank of R$5.697 to US$1.00 as of March 31, 2021.

(2) We adopted IFRS 16 on January 1, 2019 using the modified retrospective method and we did not restate our financial information for the year ended December 31, 2018 for comparative purposes. As a result, certain information presented for the year ended December 31, 2018 may not be comparable to other periods presented. For more information, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Recent Accounting Pronouncements" and note 18 to our audited consolidated financial statements included in our 2020 Annual Report.

(3) We calculate EBITDA as net income (loss) *plus* financial results, net, exchange rate variation, net, income taxes and depreciation and amortization. EBITDA is not a measure of financial performance recognized under IFRS, nor should it be considered an alternative to net income (loss) as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. EBITDA is not calculated using a standard methodology and may not be comparable to the definition of EBITDA or similarly titled measures used by other companies. Because our calculation of EBITDA eliminates financial results, net, exchange rate variation, net, income taxes and depreciation and amortization, we believe that our EBITDA provides an indication of our general economic performance, without giving effect to interest rate or exchange rate fluctuations, changes in income and social contribution tax rates or depreciation and amortization.

(4) We calculate EBITDA Margin as EBITDA *divided* by total net revenue for the relevant period.

(5) We calculate operating margin as income before financial results, exchange rate variation, net and income taxes *divided by* total net revenue.
(6) We calculate Adjusted EBITDA as EBITDA *plus* non-recurring results, net and, in 2019, certain other expenses, principally related to MAX disruption net contingencies and additional costs incurred in restructuring aircraft redeliveries and, in 2020, expenses principally related to MAX disruption net contingencies, restructuring aircraft redeliveries and labor idleness, and for the three months ended March 31, 2021, expenses principally related to restructuring aircraft redeliveries and labor idleness. Adjusted EBITDA does not exclude the effects of the pandemic (aircraft grounding and expenses not strictly related to our current level of operations), which management believes were approximately R$1.3 billion in 2020. Adjusted EBITDA is not a measure of financial performance recognized under IFRS, nor should it be considered an alternative to net income (loss) as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. Adjusted EBITDA is not calculated using a standard methodology and may not be comparable to the definition of "adjusted EBITDA" or similarly titled measures used by other companies. Because our Adjusted EBITDA eliminates non-recurring effects on our results of operations, we believe that our Adjusted EBITDA provides an important tool to compare our performance across periods.
(7) We calculate Adjusted EBITDA Margin as Adjusted EBITDA *divided by* total net revenue for the relevant period.
(8) We calculate Adjusted Operating Margin as income before financial results, exchange rate variation, net and income taxes, *plus* non-recurring results, net and expenses related to fleet and labor idleness *divided by* total net revenue. Because our Adjusted Operating Margin eliminates non-recurring effects on our results of operations, we believe that our Adjusted Operating Margin provides an important tool to compare our performance across periods.
(9) We calculate Total Liquidity as the sum of our cash and cash equivalents, current and noncurrent restricted cash, short-term investments and trade receivables; Total Liquidity does not reflect our negative working capital as of the dates presented. For information regarding our negative working capital, see note 1.2 to our unaudited interim condensed consolidated financial statements.
(10) Source: National Civil Aviation Agency (*Agência Nacional de Aviação Civil*), or ANAC.
(11) We calculate adjusted CASK as CASK excluding non-recurring results, net and, in 2020, expenses related to fleet and labor idleness.

Reconciliation and Calculation of Certain Non-IFRS Measures

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA

	Year ended December 31,				Three months ended March 31,		
	2018	**2019**	**2020**	**2020[1]**	**2020**	**2021**	**2021[1]**
	(in thousands of R$, except as otherwise indicated)			*(in thousands of US$)*	*(in thousands of R$, except as otherwise indicated)*		*(in thousands of US$)*
Net income (loss)	(779,724)	179,338	(5,895,251)	(1,034,799)	(2,261,609)	(2,505,791)	(439,844)
(+) Income taxes	297,128	209,607	77,958	13,684	43,416	20,969	3,681
(+) Financial results, net	801,361	1,358,702	1,809,223	317,575	300,210	425,078	74,614
(+) Exchange rate variation, net	1,081,197	385,092	3,056,226	536,462	2,943,404	1,537,240	269,833
(+) Depreciation and amortization	668,516	1,727,982	1,870,552	328,340	528,036	336,299	59,031
EBITDA[2]	**2,068,478**	**3,860,721**	**918,708**	**161,262**	**1,553,457**	**(186,205)**	**(32,685)**
(+) Non-recurring effects	32,441	347,861	167,588	29,417	(87,458)	114,111	20,030
Adjusted EBITDA[3]	**2,100,919**	**4,208,582**	**1,086,296**	**190,679**	**1,465,999**	**(72,094)**	**(12,655)**
Net revenue	11,411,354	13,864,704	6,371,817	1,118,451	3,147,727	1,567,627	275,167
EBITDA Margin	**18.1%**	**27.8%**	**14.4%**	**14.4%**	**49.4%**	**(11.9)%**	**(11.9)%**
Adjusted EBITDA Margin	**18.4%**	**30.4%**	**17.0%**	**17.0%**	**46.6%**	**(4.6)%**	**(4.6)%**

(1) Translated for convenience using the U.S. dollar selling rate as reported by the Central Bank of R$5.697 to US$1.00 as of March 31, 2021.
(2) We calculate EBITDA as net income (loss) *plus* financial results, net, exchange rate variation, net, income taxes and depreciation and amortization. EBITDA is not a measure of financial performance recognized under IFRS, nor should it be considered an alternative to net income (loss) as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. EBITDA is not calculated using a standard methodology and may not be comparable to the definition of EBITDA or similarly titled measures used by other companies. Because our calculation of EBITDA eliminates financial results, net, exchange rate variation, net, income taxes and depreciation and amortization, we believe that our EBITDA provides an indication of our general economic performance, without giving effect to interest rate or exchange rate fluctuations, changes in income and social contribution tax rates or depreciation and amortization.
(3) We calculate Adjusted EBITDA as EBITDA *plus* non-recurring results, net and, in 2019, certain other expenses, principally related to MAX disruption net contingencies and additional costs incurred in restructuring aircraft redeliveries and, in 2020, expenses principally related to MAX disruption net contingencies, restructuring aircraft redeliveries and labor idleness, and for the three months ended March 31, 2021, expenses principally related to restructuring aircraft redeliveries and labor idleness. Adjusted EBITDA does not exclude the effects of the pandemic (aircraft grounding and expenses not strictly related to our current level of operations), which management believes were approximately R$1.3 billion in 2020. Adjusted EBITDA is not a measure of financial performance recognized under IFRS, nor should it be considered an alternative to net income (loss) as a measure of operating performance, or as an alternative to operating cash flows, or as a measure of liquidity. Adjusted EBITDA is not calculated using a standard methodology and may not be comparable to the definition of "adjusted EBITDA" or similarly titled measures used by other companies. Because our Adjusted EBITDA eliminates non-recurring effects on our results of operations, we believe that our Adjusted EBITDA provides an important tool to compare our performance across periods.

Calculation of Adjusted Operating Margin

	Year ended December 31,			Three months ended March 31,	
	2018	2019	2020	2020	2021
	(in thousands of R$, except as otherwise indicated)				
Income before financial results, exchange rate variation, net and income taxes	1,399,962	2,132,739	(951,844)	1,025,421	(522,504)
Personnel costs – idleness	-	-	161,201	-	-
Flight equipment depreciation – idleness	-	-	765,456	-	62,675
Non-recurring expenses	32,441	347,861	6,387	(87,458)	114,111
Adjusted income before financial results, exchange rate variation, net and income taxes	**1,432,403**	**2,480,600**	**(18,800)**	**937,963**	**(345,718)**
Net revenue	11,411,354	13,864,704	6,371,817	3,147,727	1,567,627
Adjusted Operating Margin[1]	**12.6%**	**17.9%**	**(0.3)%**	**29.8%**	**(22.1)%**

(1) We calculate Adjusted Operating Margin as income before financial results, exchange rate variation, net and income taxes, *plus* non-recurring results, net and expenses related to fleet and labor idleness *divided by* total net revenue. Because our Adjusted Operating Margin eliminates non-recurring effects on our results of operations, we believe that our Adjusted Operating Margin provides an important tool to compare our performance across periods.

Reconciliation of Adjusted Indebtedness and Adjusted Net Indebtedness

	As of December 31,			As of
	2018	2019	2020	March 31, 2021
	(in thousands of R$)			
Loans and financing current	(1,103,206)	(2,543,039)	(2,353,279)	(2,304,032)
Loans and financing non-current	(5,340,601)	(5,866,802)	(7,623,687)	(8,102,790)
Lease liabilities current	(255,917)	(1,404,712)	(1,317,008)	(1,933,152)
Lease liabilities non-current	(656,228)	(4,648,068)	(6,267,184)	(6,643,369)
Total indebtedness	**(7,355,952)**	**(14,462,621)**	**(17,561,158)**	**(18,983,343)**
(-) Perpetual notes	525,602	546,750	805,690	894,935
Adjusted indebtedness[1]	**(6,830,350)**	**(13,915,871)**	**(16,755,468)**	**(18,088,408)**
Cash and cash equivalents	826,187	1,645,425	662,830	404,713
Short-term investments current	478,364	953,762	628,343	535,538
Short-term investments non-current	-	-	992	-
Restricted cash current	133,391	304,920	355,769	265,192
Restricted cash non-current	688,741	139,386	188,838	49,435
Adjusted Net Indebtedness[2]	**(4,703,667)**	**(10,872,378)**	**(14,918,696)**	**(16,833,530)**

(*) Not meaningful.

(1) Adjusted Indebtedness is not a measure of financial condition recognized under IFRS and it does not represent indebtedness as of the dates indicated. Adjusted Indebtedness should not be considered an alternative to information provided in our balance sheet as a measure of our financial condition, liquidity or ability to service our indebtedness. Adjusted Indebtedness is not calculated using a standard methodology and may not be comparable to the definition of "adjusted indebtedness" or similarly titled measures used by other companies. We believe that Adjusted Indebtedness provides useful information regarding our financial condition and is an important tool to support our management in making investment and financing decisions.

(2) Adjusted Net Indebtedness is not a measure of financial condition recognized under IFRS and it does not represent indebtedness as of the dates indicated. Adjusted Net Indebtedness should not be considered an alternative to information provided in our balance sheet as a measure of our financial condition, liquidity or ability to service our indebtedness. Adjusted Net Indebtedness is not calculated using a standard methodology and may not be comparable to the definition of "adjusted net indebtedness" or similarly titled measures used by other companies. We believe that Adjusted Net Indebtedness provides useful information regarding our financial condition and is an important tool to support our management in making investment and financing decisions.

Calculation of Total Liquidity

	As of December 31,				As of March 31,	
	2018	**2019**	**2020**	**2020**[1]	**2021**	**2021**[1]
		(in thousands of R$)		*(in thousands of US$)*	*(in thousands of R$)*	*(in thousands of US$)*
Real denominated	**1,867,500**	**3,034,858**	**1,965,046**	**344,926**	**1,648,895**	**289,432**
Cash and cash equivalents, short-term investments and short and long-term restricted cash	1,162,710	2,007,691	1,345,514	236,179	1,167,295	204,896
Trade receivables	704,790	1,027,167	619,532	108,747	481,600	84,536
Foreign exchange denominated	**1,112,511**	**1,238,165**	**611,425**	**107,324**	**148,787**	**26,117**
Cash and cash equivalents, short-term investments and short and long-term restricted cash	963,973	1,035,802	491,258	86,231	87,583	15,374
Trade receivables	148,538	202,363	120,167	21,093	61,204	10,743
Total Liquidity[1]	**2,980,011**	**4,273,023**	**2,576,471**	**452,250**	**1,797,682**	**315,549**

(1) We calculate Total Liquidity as the sum of our cash and cash equivalents, current and noncurrent restricted cash, short-term investments and trade receivables; Total Liquidity does not reflect our negative working capital as of the dates presented. For information regarding our negative working capital, see note 1.2 to our unaudited interim condensed consolidated financial statements.

RISK FACTORS

Investment in our securities involves a high degree of risk. Prospective purchasers of our securities should carefully consider the risks described below, as well as the other information in this offering memorandum, before making an investment decision. Our business, results of operations, financial condition or prospects could be adversely affected if any of these risks occurs and, as a result, the trading price of the securities could decline and you could lose all or part of your investment. See "Item 3. Key Information—D. Risk Factors" in our 2020 Annual Report.

Risks Relating to the Notes and the Guarantees

The Issuer's ability to make payments on the notes depends on its receipt of payments from the Guarantors.

The Issuer is a wholly-owned subsidiary of GLAI and is organized under the laws of Luxembourg. As a special purpose vehicle with no material assets or business operations, holders of the notes must rely solely on the cash flow from operations of the Guarantors to pay amounts due in connection with the notes. The ability of the Issuer to make payments of principal, interest and any other amounts due on the notes is contingent on its receipt from the Guarantors of amounts sufficient to make these payments and, in turn, on the Guarantors' ability to make these payments. In the event that the Guarantors are unable to make the payments for any reason, the Issuer will not have sufficient resources to satisfy its obligations under the indentures for the notes. For instance, see "—Changes in foreign exchange policies and regulations of Brazil may affect the Guarantors' ability to make payments outside Brazil in respect of the guarantees."

There are no financial covenants in the notes or the guarantees.

The Issuer, the Guarantors and their subsidiaries are not restricted from incurring additional debt or liabilities, including additional senior debt, under the notes, the guarantees or the indenture. If the Issuer or the Guarantors incur additional debt or liabilities, their ability to pay their obligations on the notes or the guarantees, as the case may be, could be adversely affected. The Issuer and the Guarantors expect from time to time to incur additional debt and other liabilities. In addition, the Issuer, the Guarantors and their subsidiaries are not restricted from creating liens on their assets, and the Guarantors are not restricted under the guarantees or the indenture from paying dividends or issuing or repurchasing securities.

Payments on the notes and the guarantees will be structurally subordinated to liabilities of our non-guarantor subsidiaries.

The notes and the guarantees will be structurally subordinated to the indebtedness and other liabilities of the Guarantors' non-guarantor subsidiaries, including Smiles, for which the portion of dividends, if any, allocated to the non-controlling investors will not be available for distribution to the Guarantors. In addition, under Brazilian law, the obligations of the Issuer and the Guarantors under the notes and the guarantees are subordinated to certain statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes, court fees, expenses and costs, as well as to other statutory claims specific to the aircraft industry. These statutory preferences will have priority in a liquidation over any other claims, including claims by any holder of the notes.

Our financial statements as of and for the years ended December 31, 2019 and 2020 contain a going concern emphasis, due to the significant drop in demand for air travel as a result of the effects of developments relating to the COVID-19 pandemic, the actions taken by the Brazilian government to address it, which are largely out of our control, and our resulting negative working capital.

The consolidated financial statements incorporated by reference in this offering memorandum have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and satisfaction of liabilities and commitments in the normal course of business. However, because of the significant drop in worldwide demand for air travel caused by the COVID-19 pandemic that has affected the entire airline industry, and the significant travel restrictions that have been placed by numerous countries, including Brazil, we currently operate with a significantly negative working capital and there is significant uncertainty about our ability to continue as a going concern. Our independent registered public accounting firms in each of 2019 and 2020, in their reports on our consolidated financial statements as of and for the years ended December 31, 2019 and 2020, expressed substantial doubt regarding our ability to continue as a going concern. For more information, see our auditors' report included in our audited consolidated financial statements incorporated by reference in this offering memorandum.

The guarantees may not be enforceable if deemed fraudulent and declared void.

The guarantees may not be enforceable under Brazilian law. While Brazilian law does not prohibit the granting of guarantees, in the event that any of the Guarantors become subject to a reorganization or bankruptcy proceeding, all acts performed free of charge during the two years preceding the declaration of bankruptcy are ineffective with regard to the bankruptcy estate, whether or not the contracting party was aware of the debtor's economic and financial distress and whether or not the debtor intended to defraud creditors. Therefore, if the guarantees were granted up to two years before the declaration of bankruptcy, the guarantees may be deemed to have been fraudulent and declared void, based upon the Guarantors being deemed not to have received fair consideration in exchange for the guarantees.

Brazilian bankruptcy laws may be less favorable to investors than bankruptcy and insolvency laws in other jurisdictions.

If we are unable to pay our indebtedness, including our obligations under the notes, we may become subject to an insolvency proceeding in Brazil. Brazilian bankruptcy laws currently in effect are significantly different from other jurisdictions and may be less favorable to creditors.

Any judgment against us in Brazilian courts due to any payment obligations under the guarantee, normally would be expressed in the *real* equivalent of the U.S. dollar amount of such sum at the exchange rate in effect (i) on the date of the payment; (ii) on the date on which such judgment is rendered; or (iii) on the date on which collection or enforcement proceedings are started against us. Consequently, in the event of our declaration of bankruptcy, all of our debt obligations, including the guarantee of the notes, which are denominated in foreign currency, will be exchanged into *reais* at the prevailing exchange rate on the date of declaration of our bankruptcy by the court. We cannot assure investors that such rate of exchange will afford full compensation of the amount invested in the notes *plus* accrued interest.

In addition, creditors of the Issuer and/or of the Guarantor may hold negotiable instruments or other instruments governed by local law that grant rights to attach the assets of the Issuer and/or of the Guarantor 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 notes.

***Judgments of Brazilian courts enforcing the Issuer's and the Guarantors' obligations under the notes would be payable only in* reais.**

If proceedings were brought in the courts of Brazil seeking to enforce obligations of the Issuer and Guarantors under the notes or the guarantees, the Issuer and Guarantors would not be required to discharge such obligations in a currency other than *reais*. Any judgment obtained against the Issuer and the Guarantors in Brazilian courts in respect of any payment obligations under the notes or the guarantees will be expressed in *reais* equivalent to the U.S. dollar amount of such sum at the exchange rate in effect (i) on the date of actual payment; (ii) on the date on which such judgment is rendered; or (iii) on the date on which collection or enforcement proceedings are started against us. We cannot assure you that this exchange rate will afford you full compensation of the amount sought in any such litigation.

Changes in foreign exchange policies and regulations of Brazil may affect the Guarantors' ability to make payments outside Brazil in respect of the guarantees.

Under existing regulations, Brazilian companies are not required to obtain authorization from the Central Bank in order to make payments in U.S. dollars outside Brazil, such as to the holders of the notes. We cannot assure you that these regulations will continue to be in force at the time the Guarantors may be required to perform their payment obligations under the guarantees. If these regulations or their interpretation were to be amended and an authorization from the Central Bank were to become required, the Guarantors would be obligated to seek an authorization from the Central Bank to transfer the amounts under the guarantees out of Brazil or, alternatively, make such payments with funds held by them outside Brazil. We cannot assure you that such authorization, if required, will be obtained or that such funds will be available. If the Guarantors are unable to obtain the required approvals, if needed, for the payment of amounts they owe you through remittances from Brazil, we may have to seek other lawful mechanisms to effect payment of amounts due under the guarantees. 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 notes would be possible through such mechanism.

We cannot assure investors that a judgment of a court for liabilities under the securities laws of a jurisdiction outside Brazil or Luxembourg would be enforceable in Brazil, or that an original action can be brought in Luxembourg against

the Issuer or in Brazil against the Guarantors, in each case, for liabilities under applicable securities laws.

The Issuer is organized under the laws of Luxembourg, and each of the Guarantors is incorporated under the laws of Brazil. Substantially all of the Guarantors' assets are located in Brazil. The Issuer's directors reside in Luxembourg and all of the Guarantors' executive officers and certain advisors named herein reside in Brazil. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or the Guarantors, or its or their respective directors, executive officers and advisors, or to enforce against the Issuer or the Guarantors, or its or their respective directors, executive officers and advisors, in U.S., Brazilian or Luxembourg courts any judgments predicated upon the civil liability provisions of applicable securities laws. In addition, it may not be possible to bring an original action in Brazil against the Guarantors for liabilities under applicable securities laws. See "Enforcement of Civil Liabilities."

We may be unable to purchase the notes upon a change of control.

Upon the occurrence of a change of control, you may require us to purchase all or a portion of your notes at 101% of their principal amount, *plus* accrued and unpaid interest and any additional amounts. If such a change of control were to occur, we may not have enough funds at the time to pay the purchase price for all tendered notes. Our future indebtedness may provide that a change of control constitutes an event of default which could result in the acceleration of maturity of such indebtedness and may prohibit the purchase of the notes upon a change of control. If a change of control occurs at a time when we are prohibited from purchasing the notes, we could seek the consent of our lenders to purchase the notes or could attempt to refinance this debt. If we do not obtain a consent, we could not purchase the notes. Our failure to purchase any tendered notes would constitute an event of default under the applicable agreement. Our obligation to offer to purchase the notes upon a change of control would not necessarily afford you protection in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us. The term "change of control" is defined in the "Description of the Notes—Certain Definitions" section.

Risks Relating to the Collateral

The security interest in any given spare part may be released under certain circumstances, and periodic amendments will be required to maintain a perfected security interest in the spare parts collateral.

The notes and guarantees will be secured, as of the issue date, by a first priority security interest granted by the Fiduciary Sale Agreement in certain collateral, which includes certain spare parts. The security interest in the spare parts will not apply to spare parts that are not specifically identified in the Spare Parts Fiduciary Sale Agreement or to spare parts that are released according to the terms thereof.

GLA will have the right to utilize the spare parts in its ordinary course of business, including, but not limited to, incorporating in, installing on, attaching to or using on an aircraft, engine or spare part leased to or owned by GLA. GLA may also dismantle any Spare Part or Spare Engine that it deems worn out or obsolete, beyond economic repair or unfit or no longer suitable for use and may sell or dispose of any such Spare Part or Spare Engine or any salvage resulting from such dismantling, free from the security interest of the Collateral Documents.

In addition, to subject additional spare parts to the security interest granted by the Spare Parts Fiduciary Sale Agreement, GLA will enter into an amendment to the Spare Parts Fiduciary Sale Agreement on a monthly basis for rotable spare parts and on a semi-annual basis for non-rotable spare parts. The amendment must be registered with the registry of deeds and documents in the jurisdiction of incorporation of each of GLA and the collateral agent to perfect the security interest granted by the Spare Parts Fiduciary Sale Agreement in the collateral. There may be delays or errors in entering into the amendment to the Spare Parts Fiduciary Sale Agreement, identifying the spare parts that should be covered by the amendment or registering the amendment with the registry of deeds and documents, which may cause the spare parts not to become part of the collateral on a timely basis, or at all. For a spare part that ceased to be part of the collateral to become part of the collateral again, the spare part must again become subject to the security interest granted by the Spare Parts Fiduciary Sale Agreement. In addition, newly-acquired spare parts need to be made subject to the security interest granted by the Spare Parts Fiduciary Sale Agreement to become part of the collateral. The collateral agent will not have the obligation or the ability to confirm the existence of spare parts, their type or market value.

The security interest granted under the Spare Parts Fiduciary Sale Agreement in the non-rotable spare parts may not be valid under Brazilian law.

Under Brazilian law, the fiduciary sale is a collateralized transaction pursuant to which a security interest is granted in non-fungible assets. Fungible assets, such as the non-rotable spare parts, may be converted into non-fungible assets

under Brazilian law by different means. Brazilian law does not specify the minimum requirements to be met for this conversion to be considered valid. GLA has created a pool of non-rotable spare parts to convert them into non-fungible assets and thereby subject them to the security interest granted under the Spare Parts Fiduciary Sale Agreement. If the means used by GLA to create, maintain and monitor the pool of non-rotable spare parts and convert them into non-fungible assets is challenged and considered to be insufficient under Brazilian law, the security interest granted under the Spare Parts Fiduciary Sale Agreement for non-rotable spare parts may be considered invalid.

The value of the spare parts collateral is subject to various factors, including the impacts of the COVID-19 pandemic, and may be materially affected upon the occurrence of events that result in the partial or total loss thereof.

We are required under the notes to maintain the value of the spare parts collateral at a minimum level by reference to the outstanding amount of the notes in accordance with certain collateral coverage ratios - see "Description of Notes – Collateral". The value of the spare parts collateral is directly related to its fair market value, which is subject to various factors, including market and economic conditions, the supply of similar parts, the availability of buyers, the frequency and quality of the repair and refurbishment of the spare parts and the actual number and condition of spare parts. The significantly reduced demand for air travel caused by the COVID-19 pandemic has resulted in several air carriers seeking to reorganize under applicable bankruptcy laws and has required airlines to take actions to reduce operating costs, including the removal of aircraft from the operating fleet. In addition, because of a reduction in demand for air travel, airlines have been able to delay the requirement to undertake major overhauls and heavy maintenance of their aircraft and engines. These factors may result in an excess of spare parts in the market and consequently adversely affect the value of the spare parts collateral.

Accordingly, we cannot assure you that the proceeds realized on any exercise of remedies will equal the appraised value of the collateral or be sufficient to satisfy in full payments due on the notes or the guarantees.

We are required under the Fiduciary Sale Agreement to maintain insurance in a manner prudent and customary for our business. There are, however, certain losses that may be not be covered by insurance. Also, insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any of the collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the notes and the guarantees.

The occurrence of disasters, accidents or other events in connection with the collateral that are not covered by insurance may result in partial or total loss of its value and consequently the value of the collateral may not be sufficient to fully repay the obligations under the notes and the guarantees. It is not possible to predict whether the events will be covered by insurance or, if so, if the insured amounts will be sufficient to satisfy in full all the obligations under the notes and the guarantees.

The guarantees and rights in the collateral may not be enforceable if granted close in time to a liquidation proceeding.

If we are subject to a liquidation proceeding within two years of the issuance of the guarantees, the guarantees may be declared void under Brazilian law. In addition, rights in the collateral may also be deemed void if perfected within 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. Given that GLA will periodically subject additional spare parts to the security interest granted by the Spare Parts Fiduciary Sale Agreement by means of an amendment, a liquidation proceeding involving us within 90 days from the date of the amendment to the Spare Parts Fiduciary Sale Agreement may cause the security interest in the additional spare parts granted by the amendment to be declared void.

Enforcement of rights in certain of the collateral is subject to several difficulties, which may hinder holders of the notes from exercising their rights under the Fiduciary Sale Agreement.

To avoid seizure and sale of certain of the collateral either in a legal proceeding predicated on a default under the notes or guarantees or during a judicial reorganization proceeding before or after the expiration of the stay period, GLA may raise the defense that the spare parts, spare engines, aircraft and/or flight simulators are essential to its 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 GLA's defense in a legal proceeding, outside of the context of a judicial reorganization, GLA will have to satisfy the obligation under the relevant fiduciary sale agreements by, for example, offering other assets or by any

other means. GLA may not have other assets in sufficient value to offer in lieu of the collateral.

In a judicial reorganization of GLA, while payment obligations under the notes and the guarantees secured by the collateral would not be included in the restructuring plan, holders of the notes would not be able to enforce their rights in the collateral subject to the fiduciary sale agreements during the stay period, if the collateral is considered essential for the company's activities. The bankruptcy court has jurisdiction to confirm if such assets are considered 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 the spare parts, spare engines, aircraft and/or flight simulators are essential to preserve GLA's operations and business activities, holders of the 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 sale agreements.

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 notes may be excluded on voting rights at creditors' meetings in the context of a court reorganization proceeding due to the fiduciary transfer of assets (at least up to the amount of the value of the assets under fiduciary transfer) and will not be subject to the specific insolvency proceeding. Also, holders of the notes may be involved in extensive and time consuming proceedings and challenges from third parties in excluding the collateral subject to the fiduciary sale agreements from the assets affected by liquidation proceedings.

The Spare Engines Fiduciary Sale Agreement and Aircraft Fiduciary Sale Agreement will be subject to the Cape Town Convention and Aircraft Protocol and enforcement of the provisions of the treaty may face challenges in Brazilian courts. Notwithstanding that Brazil, in the adoption of the Cape Town Convention, elected a "waiting period" of 30 days, GLA may present defenses under Brazilian Bankruptcy Law in order to extend or otherwise avoid such "waiting period" and it may raise a dispute to consolidate the enforcement rights after this period.

It may be difficult and expensive to exercise seizure rights with respect to an Aircraft.

There will be no general geographic restrictions on the GLA's ability to operate the aircraft collateral. It may be difficult, time-consuming and expensive for the collateral agent to exercise seek and seizure and/or repossession rights enforce over all or any part of the aircraft collateral. Brazil does not recognize self-help remedies, and therefore seek and seizure and/or repossession of any aircraft collateral registered or located in Brazil will need to be sought through the courts of Brazil.

Upon seizure of any item of the collateral, it may need to be stored and insured. The costs of storage and insurance can be significant, and the incurrence of such costs could ultimately result in fewer proceeds to repay the holders of the notes.

While the Cape Town Convention will apply to Aircraft registered in Brazil, the Cape Town Convention has not yet been interpreted by Superior Courts in Brazil. A court might interpret the Cape Town Convention in a manner that does not maximize the benefits of the Cape Town Convention.

Under the laws of Brazil, in the event of a conflict between the provisions of the Cape Town Convention and Aircraft Protocol and applicable federal laws of Brazil, the Cape Town Convention should prevail. However, at the time of the adoption of the Cape Town Convention, Brazil did not make any declaration confirming that, in case of any such conflict, the Cape Town Convention and Aircraft Protocol would prevail.

The Cape Town Convention's provisions are applicable to "aircraft objects," which include aircraft and aircraft engines that fulfill certain minimum requirements. Aircraft equipment and parts that do not meet these requirements are not subject to the Cape Town Convention's rules, but instead are subject to the Geneva Convention and the laws of the country in which the assets are located.

In the event that GLA wishes to contest the collateral agent's right to seek and seize the spare engine collateral, GLA may challenge the application of the Cape Town Convention and the Aircraft Protocol to it by demonstrating that the such collateral is essential for its business activities which may lead to significant delays in the ability of the Collateral Agent to enforce the spare engine collateral.

Under the terms of the Cape Town Convention, the Collateral Agent may also present a de-registration request to

ANAC based on an IDERA (Irrevocable Deregistration and Export Request Authorisation) which shall be granted by GLA, as the operator of the aircraft. The IDERA should allow the deregistration and consequent grounding of the aircraft subject to the Collateral within no later than 5 business days from the request. Although all precedents indicate that ANAC will comply with a deregistration request and ground the aircraft, this matter has never been tested in Brazilian courts in case of a challenge by the obligor.

Enforcement of a foreign judgment in Brazil will likely be required for holders of the notes to enforce rights in the collateral under the fiduciary sale agreements.

If a default occurs under the notes or the guarantees, the collateral agent, on behalf of the holders of notes, if and as instructed by the trustee, subject to the terms of the Intercreditor Agreement, may initiate a legal proceeding in a Brazilian court against GLA authorizing the seizure of the collateral based on the fiduciary sale agreements. 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 notes or the guarantees has occurred and given rise to the collateral agent's right to enforce the rights of holders of the notes in the collateral under the fiduciary sale agreements. 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 notes or the guarantees.

We are not perfecting the security interests in intellectual property in foreign jurisdictions, which may result in the noteholders not having a validly perfected lien.

We are not perfecting the security interests in intellectual property that is registered under the laws of any jurisdiction other than Brazil. As a consequence, the Trustee and the Collateral Agent will not have a validly perfected lien in such collateral under the laws of any such other jurisdiction. We will file the Fiduciary Transfer of Intellectual Property Agreement with the Brazilian Patent and Trademark Office (*INPI – Instituto Nacional da Propriedade Intelectual*) 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 any such foreign jurisdiction may not recognize perfection under Brazilian law in respect of such collateral.

The realizable value of the collateral may differ significantly from any appraised value.

mba, an independent aviation appraisal and consulting firm, has prepared an appraisal of the intellectual property collateral and the spare parts collateral. The appraisal is subject to a number of assumptions and limitations and was prepared based on certain specified methodologies. In preparing its appraisal, mba conducted only a limited physical inspection, at certain locations, of a sample of spare parts.

We are required to provide to the trustee a semi-annual appraisal of the intellectual property, the spare parts collateral and, if applicable, the other eligible collateral. These appraisals may be provided by mba or any other person certified by ISTAT (or any successor organization thereto) selected by us and are provided to the trustee. The subsequent appraisals will be subject to a number of assumptions and limitations and will be prepared based on certain specified methodologies. The subsequent appraisals may be subject to different assumptions and limitations and may be based on other methodologies than the original appraisal conducted by mba. An appraisal that is subject to other assumptions and limitations and based on other methodologies may result in valuations that are materially different from those contained in mba's initial appraisal. In preparing such subsequent appraisals, there will also be only a limited physical inspection of a sample of spare parts at certain locations.

An appraisal is only an estimate, does not necessarily indicate the price at which any intellectual property, spare part or other eligible collateral may be purchased or sold in the market and should not be relied on as a measure of realizable value. The value of collateral will depend on various factors, including market and economic conditions, the supply of similar parts, the availability of buyers, and, with respect to the spare parts collateral, the frequency and quality of the repair and refurbishment of spare parts and the actual number and condition of spare parts. Accordingly, we cannot assure you that the proceeds realized on any exercise of remedies will equal the appraised value of such collateral or be sufficient, together with any other additional collateral, to satisfy in full payments due on the notes or the guarantees.

In addition, because spare parts are regularly used, refurbished, purchased, transferred and discarded in the ordinary course of our business, the value of the spare parts collateral will change over time. As the appraisal and subsequent appraisal

reports provide a collateral value as of a specific date, the actual value of the spare parts collateral as of any other date may differ materially from the value specified in the appraisal or subsequent appraisal report.

Accordingly, we cannot assure you that the proceeds realized on any exercise of remedies would be sufficient to satisfy in full payments due on the notes or the guarantees.

The value of the rights of noteholders to the collateral may be reduced by any increase in the indebtedness secured by the collateral.

If we incur any additional indebtedness that ranks equally with the notes and related guarantees, the holders of that debt will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up, subject to any collateral arrangements. This may have the effect of reducing the amount of proceeds paid to the holders of the notes.

Recording the transfers of title with respect to the intellectual property collateral may be substantially delayed until after the issue date of the notes.

Recording of the transfers of title with respect to the intellectual property collateral may be substantially delayed due to filing office closures and delays as a result of the COVID-19 pandemic. Until all such transfers are recorded, the Collateral Agent may not have full ownership of the intellectual property collateral in each applicable jurisdiction. The closures and delays at such filing offices may also delay the perfection recording of the security interest with respect to the notes.

To the extent not secured by the collateral, the notes and guarantees will effectively rank junior in right of payment to our existing and future secured debt and liabilities.

To the extent not secured by the collateral, the notes will be our general obligations and will effectively rank junior in right of payment to our other existing and future debt secured by assets to the extent of the value of those assets. In any liquidation, dissolution, bankruptcy, or other similar proceeding, the holders of our other secured debt may assert rights against the assets securing that debt in order to receive full payment of their debt before those assets may be used to pay our other creditors, including any amount under the notes not secured by the collateral.

In addition, the notes and guarantees will be effectively subordinated to creditors (including trade creditors and employees) and preferred stockholders, if any, of our existing or future subsidiaries.

Risks Relating to Luxembourg

The Issuer is incorporated in Luxembourg, and Luxembourg law differs from U.S. law and may afford less protection to holders of the notes.

Holders of the notes may have more difficulty protecting their interests than would noteholders of a corporation incorporated in a jurisdiction of the United States. As a Luxembourg company, the Issuer is incorporated under and subject to the Luxembourg law on commercial companies of August 10, 1915, as amended, or the Luxembourg Companies Act, and other provisions of Luxembourg law. The Luxembourg Companies Act differs in some material respects from laws generally applicable to U.S. corporations and noteholders, including the provisions relating to dividend distributions, interested directors, mergers, amalgamations and acquisitions, takeovers, security holder lawsuits and indemnification of directors.

Under Luxembourg law, the duties of directors and managers of a company are generally owed to the company only. Noteholders generally do not have rights to take action against directors or managers of the Luxembourg company, except in limited circumstances. Directors or managers of a Luxembourg company must, in exercising their powers and performing their duties, act in good faith and in the interests of the company as a whole and must exercise due care, skill and diligence. Directors or managers have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any personal interest in any contract or arrangement with such company or any of its subsidiaries.

Your rights as a creditor may not be the same under Luxembourg insolvency laws as under U.S. or other insolvency laws and may preclude you from recovering payments due on the notes.

The Issuer is incorporated and established under the laws of Luxembourg, and Luxembourg's insolvency laws may not be as favorable to your interests as the laws of the United States or other jurisdictions with which you are familiar. In the

event the Issuer experiences financial difficulties, your ability to receive payment under the notes may be more limited than would be the case under U.S. bankruptcy laws.

The Issuer has no operations of its own and will not be able to repay the notes in case of non-payment by us.

The Issuer is a special purpose vehicle organized as a *société anonyme* under the laws of Luxembourg and has no operations of its own. Its principal purpose is to issue notes, including the notes placed hereby. The notes indenture will include covenants and other provisions that, among other things, restrict the Issuer's ability to engage in any other operations.

Because the Issuer will have no operations of its own, its ability to pay principal, interest and other amounts due under the notes will depend on our creditworthiness and is subject to credit risks similar to those of our other obligations.

RECENT DEVELOPMENTS

The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements and the information presented under the sections entitled "Financial Information" and "Item 3. Key Information—Selected Financial Data," "Item 5. Operating and Financial Review and Prospects," "Item 11. Quantitative and Qualitative Disclosures about Market Risk" and our audited consolidated financial statements in our 2020 Annual Report.

Operating Results

Net Revenues

Our net revenues derive primarily from transporting passengers on our aircraft, which includes ancillary revenues from products and services that primarily comprise ticket change fees and excess baggage charges. Passenger revenues depend on capacity, load factor and yield.

In the three months ended March 31, 2020 and 2021, 93.4% and 90.3% of our net revenues came from passenger transportation revenues, and the remaining 6.6% and 9.7%, respectively, came from other net revenue, principally from our cargo and mileage program businesses, which utilizes cargo space on our passenger flights, as well as Smiles-related revenues. In the three months ended March 31, 2020 and 2021, 84.3% and 96.9% of our revenues derived from our domestic operations and 15.7% and 3.1% from our international operations, respectively. We recognize passenger revenue, including revenue from Smiles' loyalty program, which relates to the redemption of miles for GOL flight tickets, either when transportation is provided or when it is probable that the tickets sold will not be used. We recognize cargo revenue when transportation is provided.

The following table sets forth our main operating performance indicators in the three months ended March 31, 2020 and 2021:

	Three months ended March 31,	
	2020	2021
Operating Data:		
Load factor	79.8%	79.9%
Break-even load factor	56.0%	97.5%
Aircraft utilization (block hours per day)	12.1	9.7
Passenger revenue yield per RPK (R$ cents)	29.57	25.33
PRASK (R$ cents)	23.60	20.24
RASK (R$ cents)	25.26	22.40
Number of departures	62,956	32,797
Average number of operating aircraft	114	77

Our revenues are net of the goods and services tax (*Imposto sobre a Circulação de Mercadorias e Serviç*os), or ICMS, and federal social contribution taxes, including social integration program (*Programa de Integração Social*), or PIS, and social contribution for financing social security (*Contribuição Social para o Financiamento da Seguridade Social*), or COFINS. ICMS does not apply to passenger revenues. The rate of ICMS on cargo revenues varies by state from 0% to 20%. As a general rule, combined PIS and COFINS rates are 3.65% of passenger revenues and 9.25% of cargo revenues and Smiles revenues.

We have one of the largest e-commerce platforms in Brazil and, in the three months ended March 31, 2020 and 2021, we generated 86.5% and 87.6% of our revenues from ticket sales through our website, respectively.

ANAC and the aviation authorities of other countries in which we operate may influence our ability to generate revenues. In Brazil, ANAC approves the concession of flights, and consequently slots, entry of new companies, launch of new routes, increases in route frequencies and lease or acquisition of new aircraft. Our ability to grow and increase our revenues depends on approvals from ANAC for new routes, increased frequencies and additional aircraft.

Operating Costs and Expenses

We seek to lower our operating costs and expenses by operating a young and standardized fleet, including upgrading to Boeing 737-8 MAX aircraft, utilizing our aircraft efficiently and improving their productivity and using and encouraging low-cost ticket sales and distribution processes. The main components of our operating costs and expenses are aircraft fuel, maintenance, sales and marketing expenses and salaries, wages and benefits, including provisions for our share-based

compensation plans.

Our aircraft fuel expenses are higher than those of low-cost airlines in the United States and Europe because production, transportation and storage of fuel in Brazil depend on expensive and underdeveloped infrastructure, especially in the north and northeast regions of the country. In addition, taxes on jet fuel are high. Our aircraft fuel expenses are variable and fluctuate based on global oil prices. The price of West Texas Intermediate crude oil, a benchmark widely used for crude oil prices that is measured in barrels and quoted in U.S. dollars, varies significantly. The price per barrel as of March 31, 2020 was US$20.48, as compared to US$59.16 as of March 31, 2021. Since global oil prices are U.S. dollar-based, our aircraft fuel costs are also linked to fluctuations in the exchange rate of the *real* against the U.S. dollar. Fuel costs represented 47.2% and 27.1% of our total operating costs and expenses in the three months ended March 31, 2020 and 2021, respectively. In order to mitigate the effects of increases in fuel prices, we enter into short- to medium-term hedging arrangements. Our pricing and yield management strategy are also important in hedging our exposure to fuel price fluctuations as we are able to pass a significant portion of these fluctuations onto customers in the long-term and recapture approximately two-thirds of fuel costs through our yield management.

Our maintenance, material and repair expenses comprise light (line) and scheduled heavy (structural) maintenance of our aircraft. We record line maintenance and repair expenses as incurred. We capitalize structural maintenance for leased aircraft and amortize over the life of the maintenance cycle. Since the average age of our operating fleet was 11.2 years for 119 Boeing 737-700/800 aircraft as of March 31, 2021, and most of the parts on our aircraft are under multi-year warranties, our aircraft require a low level of maintenance and we, therefore, incur low maintenance expenses. Our aircraft are covered by warranties that have an average term of 48 months for products and parts and 12 years for structural components. We use our Aircraft Maintenance Center for airframe heavy checks, line maintenance, aircraft painting and aircraft interior refurbishment. We believe that we have an advantage compared to industry peers in maintenance, materials and repairs expenses due to our in-house maintenance and we believe this will remain an advantage in the foreseeable future.

Our passenger service expenses are directly related to our passengers, which include baggage handling, ramp services and expenses due to interrupted flights.

Our sales and marketing expenses include commissions paid to travel agents, fees paid for our own and third-party reservation systems and agents, fees paid to credit card companies and advertising. Our distribution costs are lower than those of other airlines in Brazil on a per available seat kilometer basis because a higher proportion of our customers purchase tickets from us directly through our website instead of through traditional distribution channels, such as ticket offices, and we have comparatively fewer sales made through higher cost global distribution systems. We generate around 95% of our consolidated sales through our website and API systems, including internet sales through travel agents. For these reasons, we believe that we have an advantage compared to industry peers in sales and marketing expenses and expect this advantage will continue in the foreseeable future. Additionally, we have one of the lowest costs related to fraud and chargeback ratios in the industry on our e-commerce platform.

Salaries, wages and benefits paid to our employees include annual cost of living adjustments and provisions made for our share-based compensation.

Aircraft, traffic and mileage servicing expenses include ground handling and the cost of airport facilities.

Depreciation and amortization expenses represent the use of assets acquired, internally developed or leased and accounted for as right-of-use, according to IFRS 16, as well as the capitalized maintenance of engines.

Other expenses comprise general and administrative expenses, purchased services, equipment rentals, passenger refreshments, communication costs, supplies, professional fees and gains or losses from early return of aircraft on finance leases.

Operating Segments

We have two operating segments:

- flight transportation; and
- loyalty program.

Our two segments have a number of transactions between each other, as the vast majority of miles redeemed under our loyalty program are exchanged for tickets in flights operated by GLA.

Following are certain accounting considerations under these transactions:

Net revenue: we eliminate a significant portion of the miles redeemed revenue when we consolidate GLA and Smiles, as they relate to tickets purchased by Smiles from GLA and we ultimately recognize revenue as passenger transportation in our flight transportation segment.

Costs: we eliminate a significant portion of redemption costs in the Smiles loyalty program segment when we consolidate GLA and Smiles as they relate to tickets purchased by Smiles from GLA that we ultimately record as flight transportation costs in our flight transportation segment.

Finance result: under the agreements between GLA and Smiles, Smiles makes certain advance ticket purchases at a financial discount, which we recognize as a financial expense in our flight transportation segment, and as financial income in our Smiles loyalty program segment, both of which are eliminated when we consolidate GLA and Smiles.

Brazilian Macroeconomic Environment

As we are a Brazilian airline with primary operations in the Brazilian domestic market, we are affected by Brazilian macroeconomic conditions. Brazilian economic growth is an important indicator in determining our growth and our results of operations.

Developments relating to the COVID-19 pandemic in 2020 and 2021 had a severe and adverse impact on the global economy and on the Brazilian macroeconomic environment, which resulted in steep depreciation of the *real*, increased unemployment rates and a contraction in the country's GDP, and led to significantly reduced demand for air travel globally and in Brazil.

We are materially affected by currency fluctuations, especially in the U.S. dollar/*real* exchange rate. In the three months ended March 31, 2021, 40% of our operating costs and expenses were denominated in, or linked to, U.S. dollars and, as such, were subject to exchange rate variations. We believe that our foreign exchange and fuel hedging programs partially protect us against short-term swings in the U.S. dollar/*real* exchange rate and in related fuel prices. For more information, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Brazil—Exchange rate instability may materially and adversely affect us" in our 2020 Annual Report.

Inflation also affects us and will likely continue to do so. In the three months ended March 31, 2021, 60% of our operating costs and expenses were denominated in *reais*, and many of our suppliers and service providers generally increase their prices to reflect Brazilian inflation rates.

The following table sets forth data for real GDP growth, inflation, interest rates, the U.S. dollar selling rate and crude oil prices as of and for the periods indicated:

	As of March 31,	
	2020	2021
Inflation (IGP-M)[1]	1.7%	8.3%
Inflation (IPCA)[2]	0.5%	2.1%
CDI rate	1.0%	0.5%
LIBOR rate[3]	1.5%	0.2%
Appreciation (depreciation) of the *real* vs. U.S. dollar	(29.0)%	(9.6)%
Period-end exchange rate—US$1.00	R$5.199	R$5.697
Average exchange rate—US$1.00[4]	R$5.483	R$4.466
Period-end West Texas intermediate crude (per barrel)	US$20.48	US$59.16
Period-end increase (decrease) in West Texas intermediate crude (per barrel)	(66.5)%	21.9%
Average period West Texas Intermediate crude (per barrel)	US$46.60	US$58.02
Average period increase (decrease) in West Texas Intermediate crude (per barrel)	14.9%	24.5%

Sources: *Fundação Getulio Vargas*, the Central Bank, IBGE and Bloomberg.

(1) Inflation (IGP-M) is the general market price index measured by the Fundação Getulio Vargas.
(2) Inflation (IPCA) is a broad consumer price index measured by IBGE.
(3) Three-month U.S. dollar LIBOR (London inter-bank offer rate) as of the last date of the period.
(4) Represents the average of the U.S. dollar selling rate in each year.

Results of Operations

Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

Demand in the Brazilian airline market, as measured by RPK, decreased by 49.5% in the three months ended March 31,

2021, as compared to the same period in 2020, due to the significantly reduced demand for air travel resulting from developments relating to the COVID-19 pandemic, while capacity in Brazil, as measured by ASK, decreased by 45.4%.

The following table sets forth domestic and international industry capacity and demand for the periods indicated:

Industry Capacity and Demand[1]	**Three months ended March 31,**		
	2020	**2021**	**Change %**
Available Seat Kilometers – ASK (millions)	**40,398.8**	**22,038.6**	**(45.4)%**
Domestic	28,497.2	20,379.0	(28.5)%
International	11,901.6	1,659.6	(86.1)%
Revenue Passenger Kilometers – RPK (millions)	**32,435.6**	**16,381.4**	**(49.5)%**
Domestic	23,003.7	15,547.9	(32.4)%
International	9,431.9	833.4	(91.2)%
Load Factor	**80.3%**	**74.3%**	**(6.0) p.p.**
Domestic	80.7%	76.3%	(4.4) p.p.
International	79.2%	50.2%	(29.0) p.p.

Source: ANAC.

(1) Considering only Brazilian companies.

In the three months ended March 31, 2021, our total capacity and total demand decreased 43.8%, as compared to the same period in 2020, resulting in a total load factor of 79.9% in the three months ended March 31, 2021, as compared to 79.8% in the same period in 2020. Our PRASK decreased 14.3% in the three months ended March 31, 2021, as compared to the same period in 2020, due to a combination of a 14.3% yield decrease and an increase of 0.1 percentage point in load factor.

In the three months ended March 31, 2021, our domestic capacity decreased 34.5%, as compared to the same period in 2020, while domestic demand decreased by 35.4% in the three months ended March 31, 2021, as compared to the same period in 2020, leading to a domestic load factor of 79.9%, which was 0.1 percentage points higher than in the same period in 2020.

The following table sets forth our domestic and international capacity and demand for the periods indicated:

GOL Capacity and Demand	**Three months ended March 31,**		
	2020	**2021**	**Change %**
Available Seat Kilometers – ASK (millions)	**12,462.5**	**6,999.1**	**(43.8)%**
Domestic	10,682.5	6,999.1	(34.5)%
International	1,780.0	-	n.m.(*)
Revenue Passenger Kilometers – RPK (millions)	**9,947.1**	**5,991.6**	**(43.8)%**
Domestic	8,659.6	5,991.6	(35.4)%
International	1,287.6	-	n.m.(*)
Load Factor	**79.8%**	**79.9%**	**0.1 p.p.**
Domestic	81.1%	79.9%	(1.2) p.p.
International	72.3%	n.m.(*)	n.m.(*)

(*) Not meaningful.

Source: ANAC.

Our results in the three months ended March 31, 2021 reflect the severe impact that developments relating to the COVID-19 pandemic had on the Brazilian economy, especially in the air travel industry, and on us. To mitigate the steep decline in our revenue, we took multiple measures to cut our operating costs and expenses, which limited our operating margin loss to 33.3% in the three months ended March 31, 2021, which is 65.9 percentage points lower than the same period in 2020. The following table sets forth certain data from our results of operations for the periods indicated:

	Three months ended March 31,	
	2020	**2021**
	(in millions of R$)	
Net revenue		
Passenger	2,941.3	1,416.3
Mileage program, cargo and other	206.4	151.3
Net revenue	**3,147.7**	**1,567.6**
Salaries, wages and benefits	(595.2)	(464.4)
Aircraft fuel	(1,001.1)	(566.1)

	Three months ended March 31,	
	2020	2021
	(in millions of R$)	
Landing fees	(201.7)	(114.1)
Aircraft, traffic and mileage servicing	(174.0)	(187.1)
Passenger service expenses	(176.0)	(108.0)
Sales and marketing	(118.0)	(66.4)
Maintenance, materials and repairs	(144.3)	(153.4)
Depreciation and amortization	(528.0)	(336.3)
Other income (expenses), net	816.2	(94.4)
Total operating costs and expenses	**(2,122.3)**	**(2,090.1)**
Income before financial income (expense), net and income taxes	**1,025.4**	**(522.5)**
Financial income	698.2	143.4
Financial expense	(998.5)	(568.5)
Income before exchange rate variation, net and income taxes	**725.2**	**(947.6)**
Exchange rate variation, net	2,943.4	(1,537.2)
Income (loss) before income taxes	**(2,218.2)**	**(2,484.8)**
Income taxes	(43.4)	(21.0)
Net income (loss)	**(2,261.6)**	**(2,505.8)**

Net Revenue

Net revenue decreased 50.2%, from R$3,147.7 million in the three months ended March 31, 2020 to R$1,567.6 million in the same period in 2021. On a unit basis, RASK decreased 11.3%, from R$25.26 cents in the three months ended March 31, 2020 to R$22.40 cents in the same period in 2021. This was due to the steep decrease in demand in the domestic and international air travel markets, as a result of developments relating to the COVID-19 pandemic.

The following table sets forth a breakdown of our net revenue for the periods indicated:

	Three months ended March 31,		
	2020	2021	Change %
	(in thousands of R$, except percentages)		
Total net revenue	**3,147,727**	**1,567,627**	**(50.2)%**
Passenger	2,941,333	1,416,278	(51.8)%
Mileage program, cargo and other	206,394	151,349	(26.7)%

Operating Costs and Expenses

Operating costs and expenses decreased 1.5%, from R$2,122.3 million in the three months ended March 31, 2020 to R$2,090.1 million in the same period in 2021, mainly due to our initiatives to reduce costs and expenses, including reduction in consumption and average price per liter of fuel, suspension of non-essential investments, suspension of marketing and advertising expenses and a reduction in personnel expenses, which effects were substantially offset by the gain on sale leaseback transaction occurred in 2020.

The following table sets forth a breakdown of our operating costs and expenses for the periods indicated:

	Three months ended March 31,		
	2020	2021	Change %
	(in thousands of R$, except percentages)		
Salaries, wages and benefits	(595,223)	(464,432)	(22.0)%
Aircraft fuel	(1,001,138)	(566,128)	(43.5)%
Landing fees	(201,742)	(114,065)	(43.5)%
Aircraft, traffic and mileage servicing	(173,968)	(187,102)	7.5%
Passenger service expenses	(176,041)	(108,016)	(38.6)%
Sales and marketing	(118,012)	(66,361)	(43.8)%
Maintenance, materials and repairs	(144,321)	(153,366)	6.3%
Depreciation and amortization	(528,036)	(336,299)	(36.3)%
Other income (expenses), net	816,175	(94,362)	n.m.(*)
Total operating costs and expenses	(2,122,306)	(2,090,131)	**(1.5)%**

(*) Not meaningful.

On a per unit basis, our CASK increased 75.4%, from R$17.03 cents in the three months ended March 31, 2020 to R$29.86 cents in the same period in 2021; and our CASK ex-fuel increased 142.0%, from R$9.00 cents in the three months ended March 31, 2020 to R$21.78 cents in the same period in 2021. These increases were a result of the effects of developments relating to the COVID-19 pandemic on the demand for air travel and high fixed costs in the airline industry, which effects were partially offset by our 19.7% reduction in aircraft use in the three months ended March 31, 2021, as compared to the same period in 2020.

The following table sets forth certain of our CASK components for the periods indicated:

Operating Costs and Expenses per Available Seat Kilometer	Three months ended March 31, 2020	2021	Change %
	(in cents of reais, except percentages)		
Salaries, wages and benefits	4.78	6.64	38.9%
Aircraft fuel	8.03	8.09	0.7%
Landing fees	1.62	1.63	0.7%
Aircraft, traffic and mileage servicing	1.40	2.67	91.5%
Passenger service expenses	1.41	1.54	9.3%
Sales and marketing	0.95	0.95	0.1%
Maintenance, materials and repairs	1.16	2.19	89.2%
Depreciation and amortization	4.03	4.80	19.3%
Other income (expenses), net	(6.34)	1.35	n.m.(*)
CASK	17.03	29.86	75.4%
CASK ex-fuel	9.00	21.78	142.0%
CASK ex-fuel, adjusted(1)	9.70	19.25	98.5%

(*) Not meaningful.

(1) Excluding non-recurring results, net (certain other expenses, principally related to MAX disruption net contingencies and additional costs incurred in restructuring aircraft redeliveries).

Salaries, wages and benefits decreased 22.0%, from R$595.2 million in the three months ended March 31, 2020 to R$464.4 million in the same period in 2021, mainly due to developments in Brazilian labor law in response to the COVID-19 pandemic, which permitted us to renegotiate labor contracts and reduce wages proportionately to reductions in work hours. Salaries per available seat kilometer increased 38.9% due to the decrease in available seat kilometers. We had 13,999 employees as of March 31, 2021, representing a 0.7% increase as compared to December 31, 2020.

Aircraft fuel expenses decreased 43.5%, from R$1,001.1 million in the three months ended March 31, 2020 to R$566.1 million in the same period in 2021, mainly due to 47.1% decrease in fuel consumption, partially offset by the 0.7% increase in QAV price per liter, as compared to the same period in 2020. Aircraft fuel expenses per available seat kilometer are stable in comparison with the same period in 2020.

Landing fees decreased 43.5%, from R$201.7 million in the three months ended March 31, 2020 to R$114.1 million in the same period in 2021, mainly due to reduced operations. Landing fees per available seat kilometer are stable in comparison with the same period in 2020.

Aircraft, traffic and mileage servicing expenses increased 7.5%, from R$174.0 million in the three months ended March 31, 2020 to R$187.1 million in the same period in 2021, mainly due to investments in technology, and assistance and consulting services related to our SMILES take-in. Aircraft, traffic and mileage servicing expenses per available seat kilometer increased 91.5% due to the decrease in available seat kilometers.

Passenger service expenses decreased 38.6%, from R$176.0 million in the three months ended March 31, 2020 to R$108.0 million in the same period in 2021, mainly due to reduced operations, which effects were partially offset by an increase in expenses for ticket reimbursements, accommodations and daily expenses due to weather conditions and the reconfiguration of our flight network. Passenger service expenses per available seat kilometer increased 9.3% due to the decrease in available seat kilometers.

Sales and marketing expenses decreased 43.8%, from R$118.0 million in the three months ended March 31, 2020 to R$66.4 million in the same period in 2021, due to reduced marketing campaigns and other costs reduction initiatives. Sales and marketing expenses per available seat kilometer are stable in comparison with the same period in 2020.

Maintenance, materials and repairs expenses increased 6.3%, from R$144.3 million in the three months ended March 31,

2020 to R$153.4 million in the same period in 2021, mainly due to provisions for aircraft redelivery in 2021 and the appreciation of the U.S. dollar against the *real*. Maintenance, materials and repairs expenses per available seat kilometer increased 89.2% due to the decrease in available seat kilometers.

Depreciation and amortization expenses decreased 36.3%, from R$528.0 million in the three months ended March 31, 2020 to R$336.3 million in the same period in 2021, mainly due to the increase in the average useful life of our aircraft and engines as a result of an increase in the average term of our lease agreements. Depreciation and amortization expenses per available seat kilometer increased 19.3% due to the decrease in available seat kilometers.

Other income (expenses), net changed from an income of R$816.2 million in the three months ended March 31, 2020 to an expense of R$94.4 million in the same period in 2021, mainly due to income from sale and leaseback transactions of 11 aircraft and the reimbursement of expenses incurred due to the grounding of seven Boeing 737-MAX aircraft in 2020. Other income (expenses), net per available seat kilometer changed from an income of R$6.34 cents to an expense of R$1.35 cents.

Net Financial Expense

In the three months ended March 31, 2020, we had a net financial expense of R$3,243.6 million, as compared to a net financial expense of R$1,962.3 million in the same period in 2021, as set forth in the following table:

	Three months ended March 31,		
	2020	2021	Change %
	(in thousands of R$, except percentages)		
Interest on loans and financing and other liabilities	(206,556)	(212,545)	2.9%
Interest on lease operations	(138,389)	(227,323)	64.3%
Exchange rate variation, net	(2,943,404)	(1,537,240)	(47.8)%
Derivative results, net	(354,528)	2,378	n.m.(*)
Income from short-term investments	119,479	6,912	(94.2)%
Results from exchangeable senior notes and capped calls[1]	426,857	72,489	(83.0)%
Other financial expenses, net[2]	(147,073)	(66,989)	(54.5)%
Net financial expense	**(3,243,614)**	**(1,962,318)**	**(39.5)%**

(*) Not meaningful.
(1) Comprises unrealized gains and conversion rights from the exchangeable senior notes and losses on the related capped call transactions.
(2) Comprises monetary variations, including inflation indexation, interest income, banking charges and fees, taxes on financial income and others.

Interest expenses on our short and long-term indebtedness increased 2.9% from R$206.6 million in the three months ended March 31, 2020 to R$212.5 million in the same period in 2021, mainly due to an increase of approximately R$883.1 million in loans and financing in the three months ended March 31, 2021, as compared to the same period in 2020, the appreciation of the U.S. dollar against the *real*, and the increase in the average annual interest rate from 5.3% to 6.1%. As of March 31, 2020, we had R$9,523.7 million in loans and financing outstanding and, as of March 31, 2021, we had R$10,406.8 million in loans and financing outstanding.

Interest expenses on lease operations increased 64.3%, from R$138.4 million in the three months ended March 31, 2020 to R$227.3 million in the same period in 2021, mainly due to sale and leaseback transactions of 11 aircraft, an increase in the average annual interest rate of right-of-use leases from 8.5% to 12.1% and the appreciation of the U.S. dollar against the *real*. As of March 31, 2020, we had R$7,418.7 million in lease liabilities outstanding and, as of March 31, 2021, we had R$8,576.5 million in lease liabilities outstanding.

Exchange rate variation expense decreased 47.8% from R$2,943.4 million in the three months ended March 31, 2020 to R$1,537.2 million in the same period in 2021, mainly due to the appreciation of the U.S. dollar against the *real* of 29.0% in the three-month period ended in March 31, 2020 compared to 9.6% in the same period in 2021.

In the three months ended March 31, 2020, we recorded a derivatives loss of R$354.5 million, as compared to a derivatives gain of R$2.4 million in the same period in 2021, mainly due to our operations of fuel price hedging.

Other financial expenses, net decreased from R$147.1 million in the three months ended March 31, 2020 to R$67.0 million in the same period in 2021, mainly due to a reduction of inflation indexation and a decrease in banking charges and fees, as well as taxes on financial income in proportion to the decrease in income from short-term investments.

Income Taxes

Income tax expense was R$43.4 million in the three months ended March 31, 2020, as compared to R$21.0 million in the same period in 2021, mainly due to a decrease in Smiles' deferred income tax and social contribution and deferred tax assets of temporary differences related to provisions.

Net Income (Loss)

As a result of the foregoing, we had a net loss of R$2,261.6 million in the three months ended March 31, 2020, as compared to net loss of R$2,505.8 million in the same period in 2021.

Segment Results of Operations

We have two operating segments:

- Flight transportation; and
- Smiles loyalty program.

For more information on our segments, see note 30 to our unaudited interim condensed consolidated financial statements.

Flight Transportation Segment Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

Operating Revenue

Passenger revenue decreased 53.6%, from R$2,877.7 million in the three months ended March 31, 2020 to R$1,335.2 million in the same period in 2021, mainly due to a decrease in demand and yields.

Cargo and other revenue decreased 29.8%, from R$118.4 million in the three months ended March 31, 2020 to R$83.1 million in the same period in 2021, mainly due to a decrease in the volume of cargo transported, which effects were partially offset by readjustment in the prices of certain products and cargo.

Operating Costs and Expenses

Operating costs and expenses decreased 2.5%, from R$2,070.5 million in the three months ended March 31, 2020 to R$2,018.9 million in the same period in 2021, mainly due to our implementation of cost reduction initiatives in light of our reduced operations.

Net Financial Expense

Net financial expense decreased 39.2%, from a net financial expense of R$3,253.6 million in the three months ended March 31, 2020 to a net financial expense of R$1,979.7 million in the same period in 2021, mainly due to a decrease in foreign exchange rate loss of R$1,403.6 million in the three months ended March 31, 2021.

Income Taxes

Income tax expense was R$3.9 million in the three months ended March 31, 2020 and an income of R$14.1 million in the same period in 2021, mainly due to the recognition of deferred income tax and social contribution on temporary differences in the three months ended March 31, 2021.

Net Loss

As a result of the foregoing, our flight transportation segment had a net loss of R$2,288.3 million in the three months ended March 31, 2020, as compared to a net loss of R$2,528.4 million in the same period in 2021.

Smiles Loyalty Program Segment Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

Operating Revenue

Smiles' operating revenue mainly derives from redemptions, which are recognized when customers exchange their miles

for flight tickets, goods or services from Smiles' airline and commercial partners. Operating revenue also includes breakage and miles that expired without being used.

The following table sets forth Smiles' operating revenue for the periods indicated:

	Three months ended March 31,		
	2020	2021	Change %
	(in thousands of R$, except percentages)		
Miles redemption revenue	96,467	99,702	3.4%
Breakage revenue	84,006	61,119	(27.2)%
Other revenue	7,788	5,718	(26.6)%
Taxes on revenue	(16,930)	(15,422)	(8.9)%
Total operating revenue	**171,331**	**151,117**	**(11.8)%**

Miles redemption revenue increased 3.4%, from R$96.5 million in the three months ended March 31, 2020 to R$99.7 million in the same period in 2021, due to an increase in direct redemption margin, which effects were partially offset by a decrease in the number of miles redeemed.

Breakage revenue, derived from the expected expiration of miles and miles expired, decreased 27.2% from R$84.0 million in the three months ended March 31, 2020 to R$61.1 million in the same period in 2021, mainly due to a decrease in miles earned.

Other revenue, comprised mainly of cancellation fees, fees related to co-branded credit cards and management fees from Smiles' loyalty program, decreased 26.6%, from R$7.8 million in the three months ended March 31, 2020 to R$5.7 million in the same period in 2021.

Operating Costs and Expenses

Operating costs and expenses decreased 0.6%, from R$92.8 million in the three months ended March 31, 2020 to R$92.3 million in the same period in 2021, mainly due to an increase in technology services related to Smiles' operations, which effects were partially offset by a decrease in sales and marketing expenses.

	Three months ended March 31,		
	2020	2021	Change %
	(in thousands of R$, except percentages)		
Operating costs and expenses	**(92,817)**	**(92,257)**	**0.6%**
Salaries, wages and benefits	(23,454)	(21,136)	9.9%
Mileage servicing	(43,187)	(46,050)	6.6%
Sales and marketing	(19,710)	(16,347)	(17.1)%
Depreciation and amortization	(7,497)	(8,313)	10.9%
Other costs and expenses, net	1,031	(411)	n.m.(*)

(*) Not meaningful.

Net Financial Income

Smiles' net financial income increased 74.5%, from R$10.0 million in the three months ended March 31, 2020 to R$17.4 million in the same period in 2021, mainly due to a decrease in the base annual interest rate in period ended in March 31, 2020, resulting in a loss in investment funds in the period.

	three months ended March 31,		
	2020	2021	Change %
	(in thousands of R$, except percentages)		
Financial income, net	**9,967**	**17,395**	**74.5%**
Financial income	22,591	19,873	(12.0)%
Financial expenses	(9,852)	(328)	(96.7)%
Exchange rate variation, net	(2,772)	(2,150)	(22.4)%

Income Taxes

Income tax expense was R$32.2 million in the three months ended March 31, 2020 and R$28.5 million in the same period in 2021, mainly due to a decrease in deferred income tax and social contribution.

Net Income

As a result of the foregoing, our Smiles loyalty program segment had a net income of R$47.7 million in the three months ended March 31, 2021, as compared to a net income of R$56.3 million in the same period in 2020, representing a decrease of 15.2%, or R$8.5 million.

Liquidity and Capital Resources

Cash Flows

Operating Activities. We had net cash flows from operating activities of R$1,090.6 million in the three months ended March 31, 2020, as compared to R$4.6 million in the same period in 2021, primarily due to reduced operations as a result of developments relating to the COVID-19 pandemic.

Investing Activities. We had net cash flows used in investing activities of R$1,389.3 million in the three months ended March 31, 2020, as compared to R$20.6 million in the same period in 2021, mainly due to cash outflows from restricted cash of R$839.6 million in the three months ended March 31, 2020, as compared to cash inflows of R$31.7 million in the three months ended March 31, 2021, and an increase in Smiles' financial investments of R$241.8 million as compared to a decrease of R$95.7 million in the three months ended March 31, 2021.

Financing Activities. We had net cash flows used in financing activities of R$856.0 million in the three months ended March 31, 2020, as compared to R$264.3 million in the same period in 2021, mainly due to a decrease of R$378.0 million in payments on our loans and financing and a decrease of R$293.2 million in lease payments, which effects were partially offset by a decrease of R$49.2 million in cash inflows from new financings net of funding costs, and R$21.8 million in derivatives cash outflows in the three months period ended March 31, 2020.

Liquidity

In managing our liquidity, we take into account our cash and cash equivalents, short-term investments and long-term restricted cash, as well as our accounts receivable balance. Our accounts receivable balance is affected by the payment terms of our credit card receivables, which can be readily converted into cash through factoring transactions. Our customers can purchase seats on our flights using a credit card and pay in installments, typically creating a one or two month lag between the time that we pay our suppliers and expenses and the time that we receive payment for our ticket sales. When necessary, we obtain working capital loans, which can be secured by our receivables, to finance the sale-to-cash collection cycle.

Our Total Liquidity, which we calculate as the sum of our cash and cash equivalents, current and noncurrent restricted cash, short-term investments and trade receivables, as of March 31, 2021, was R$1,797.7 million, including R$1.0 billion in liquidity held by Smiles.

The following table sets forth certain key liquidity data as of the dates indicated:

	As of December 31, 2020	As of March 31, 2021
	(in millions of R$)	
Real denominated	**1,965.0**	**1,648.9**
Cash and cash equivalents, short-term investments and short and long-term restricted cash	1,345.5	1,167.3
Trade receivables	619.5	481.6
Foreign exchange denominated	**611.4**	**148.8**
Cash and cash equivalents and short-term investments	491.3	87.6
Trade receivables	120.2	61.2
Total	**2,576.5**	**1,797.7**

As of March 31, 2021, our cash and cash equivalents, short-term investments and restricted cash totaled R$1,254.9 million, comprising R$404.7 million in cash and cash equivalents, R$535.5 million in short-term investments and R$314.6 million in restricted cash.

As of March 31, 2021, we had negative working capital of R$8.4 billion, due to developments related to the COVID-19 pandemic and government measures to address it. We have, since the beginning of the global pandemic, and in response to this scenario, successfully taken a number of measures to protect our liquidity and cash position, including adjusting our flight network, rolling over and deferring short-term obligations, deferring debt and certain lease obligations, significantly reducing fixed and variable costs, and, on the asset side of the working capital equation, extracted cash from a number of our

assets, the latter having decreased our current assets during the course of 2020. We will continue to take measures with our suppliers and counterparties, all of which have been highly cooperative with our efforts, in order to maintain our costs low and to preserve our liquidity.

Indebtedness

The following table sets forth our total indebtedness as of the dates indicated:

	As of December 31, 2020	As of March 31, 2021
	(in millions of R$)	
Loans and financing	9,171.3	9,511.9
Perpetual notes	805.7	894.9
Lease liabilities	7,584.2	8,576.5
Total indebtedness	**17,561.2**	**18,983.3**

Loans and Financing

The following tables set forth our short-term and long-term indebtedness by type of financing as of the dates indicated:

	As of December 31, 2020	As of March 31, 2021
Short-term indebtedness (including short-term portion of long-term indebtedness)	(in millions of R$)	
Local currency	**680.5**	**782.0**
Debentures[(1)]	440.9	586.3
Working capital lines of credit[(2)]	239.6	195.7
Foreign currency (U.S. dollars)	**1,672.7**	**1,522.1**
Import financing[(3)]	783.7	700.5
Secured funding[(4)]	484.1	429.9
Engine facility[(5)]	217.6	244.1
Exchangeable senior notes[(6)]	38.0	18.9
Senior notes[(7)]	98.5	42.5
Senior secured notes[(8)]	1.8	24.8
Finance guaranteed by engines[(9)]	32.6	43.2
Perpetual notes[(10)]	16.5	18.1
Total short-term indebtedness	**2,353.3**	**2,304.0**
Long-term indebtedness		
Local currency	**163.4**	**15.1**
Debentures[(1)]	146.2	-
Working capital lines of credit[(2)]	17.3	15.1
Foreign currency (U.S. dollars)	**7,460.2**	**8,087.7**
Engine facility[(5)]	247.0	250.8
Exchangeable senior notes[(6)]	1,896.9	1,986.7
Senior notes[(7)]	3,340.3	3,668.0
Senior secured notes[(8)]	953.8	1,057.9
Finance guaranteed by engines[(9)]	233.1	247.3
Perpetual notes[(10)]	789.2	876.8
Total long-term indebtedness	**7,623.7**	**8,102.8**
Total indebtedness	**9,977.0**	**10,406.8**

(1) Issuance of 88,750 debentures by GLA on October 22, 2018 for early settlement of the Debentures VI.
(2) Credit lines in *reais* raised with private banks.
(3) Credit line of import financing for our purchase of spare parts and aircraft equipment.
(4) In August 2020, we refinanced US$250.0 million to repay in full our US$300.0 million term loan upon maturity by means of a secured loan facility with a term of 16 months, maturing in December 2021, at 9.5% interest *per annum* with monthly amortization payments. This loan facility was secured by Smiles shares, as well as certain other collateral.
(5) Credit lines in U.S. dollars raised with private banks.
(6) Issuance of exchangeable senior notes in March, April and July 2019 in an aggregate principal amount of US$425.0 million.
(7) The balance amount as of December 31, 2020 comprises 7.000% senior notes due 2025. For a detailed break-down, see note 17 to our unaudited interim condensed consolidated financial statements.
(8) Issuance of 8.00% senior secured notes due 2026 in December 2020 in an aggregate principal amount of US$200.0 million.
(9) Loans entered into in June 2018 in which five engines are granted as collateral. The interest rates negotiated were from LIBOR 6m+2.35% *per annum* to LIBOR 6m+4.25% *per annum*.

(10) Issuance of perpetual notes by GOL Finance in April 2006 to finance aircraft purchases and repayments of loans.

The following table sets forth the maturities and interest rates of our indebtedness as of March 31, 2021:

	Maturity	Interest *per annum*	Currency
Debentures	March 2022	120.00% of CDI CDI + 5.40% CDI + 3.50%	*Real*
Working capital – lines of credit	October 2025	9.06%	*Real*
Import financing	July 2021	5.04%	U.S. dollar
Secured funding	June 2021	9.50%	U.S. dollar
Finance guaranteed by engines	December 2022	0.84%	U.S. dollar
Exchangeable senior notes 2024	July 2024	3.75%	U.S. dollar
Engine facility	September 2024	2.49%	U.S. dollar
Senior notes 2025	January 2025	7.00%	U.S. dollar
Senior secured notes 2026	June 2026	8.00%	U.S. dollar
Loan facility	March 2028	4.73%	U.S. dollar
Perpetual notes	-	8.75%	U.S. dollar

The following table sets forth our payment schedule, in nominal amounts, as of March 31, 2021, in millions of *reais*, for our short-term and long-term loans and financing:

	2021	2022	2023	2024	2025	Thereafter	Without maturity	Total
***Real* denominated**								
Debentures	586.3	-	-	-	-	-	-	586.3
Working capital line of credit	195.7	5.7	4.8	2.5	2.1	-	-	210.8
U.S. dollar denominated								
Import financing	700.5	-	-	-	-	-	-	700.5
Secured funding	429.9	-	-	-	-	-	-	429.9
Finance guaranteed by engines	212.8	41.1	-	-	-	-	-	253.9
Exchangeable senior notes 2024	18.9	-	-	1,986.8	-	-	-	2,005.7
Engine facility	31.3	19	25.3	165.5	-	-	-	241.1
Senior notes 2025	42.5	-	-	-	3,668.0	-	-	3,710.5
Senior secured notes 2026	24.8	-	-	-	-	1,057.9	-	1,082.7
Loan facility	43.2	25.7	35.2	36.4	37.7	112.3	-	290.5
Perpetual notes	18.1	-	-	-	-	-	876.8	894.9
Total	**2,304.0**	**91.5**	**65.3**	**2,191.2**	**3,707.8**	**1,170.2**	**876.8**	**10,406.8**

Our total short-term indebtedness, as of March 31, 2021, was of R$2,304.0 million, comprising interest accrued in perpetual notes of R$18.1 million and loans and financing of R$2,285.9 million. Our total long-term indebtedness was of R$8,102.8 million, comprising R$876.8 million in perpetual notes and R$7,226.0 million in loans and financing.

Secured Funding

In August 2020, we refinanced US$250.0 million with Delta Airlines to repay in full our US$300.0 million term loan upon maturity by means of a secured loan facility with a term of 16 months, maturing in December 2021, at 9.5% interest *per annum* with monthly amortization payments. This loan facility was secured by Smiles shares, as well as certain other collateral. As of March 31, 2021, we had paid US$18.8 million (R$103.2 million).

Leases

The following table sets forth our short-term and long-term lease as of December 31, 2020 and March 31, 2021:

	As of December 31, 2020	As of March 31, 2021
Short-term lease	*(in millions of R$)*	
Local currency	**32.5**	**33.2**
Right of use leases without purchase option	32.5	33.2
Foreign currency (U.S. dollars)	**1,284.5**	**1,899.9**
Short-term lease and variable payments	16.3	26.6

	As of December 31, 2020	As of March 31, 2021
Short-term lease	*(in millions of R$)*	
Local currency	**32.5**	**33.2**
Right of use leases without purchase option	1,268.2	1,873.3
Total short-term indebtedness	**1,317.0**	**1,933.2**
Long-term lease		
Local currency	**15.0**	**12.8**
Right of use leases without purchase option	15.0	12.8
Foreign currency (U.S. dollars)	**6,252.2**	**6,630.6**
Right of use leases without purchase option	6,252.2	6,630.6
Total long-term lease	**6,267.2**	**6,643.4**
Total lease	**7,584.2**	**8,576.5**

As of March 31, 2021, our total short-term lease was R$1,933.2 million and our total long-term lease was R$6,643.4 million.

For more information on our lease balances, see note 18 to our unaudited interim condensed consolidated financial statements.

Covenant Compliance

Our long-term financings (excluding our perpetual notes and finance leases) are subject to restrictive covenants, and our term loan and Debentures VII have restrictions that require us to comply with specific liquidity and interest expense coverage ratios. As of March 31, 2021, we were either in compliance with our covenants or have obtained waivers for any covenant non-compliance. For further information on our covenant compliance and waivers, see note 18.3 to our annual consolidated financial statements.

Capital Resources

We typically finance our aircraft through leases. Although we expect that lease financings will be available for our future aircraft deliveries, we cannot assure you that we will be able to secure financings on terms attractive to us, if at all. To the extent we cannot secure financing, we may be required to modify our aircraft acquisition plans or incur higher than anticipated financing costs. We expect to continue to require working capital investment due to the use of credit card installment payments by our customers. While our capital resources depend on market conditions that are subject to risks beyond our control, our goal is to meet our operating obligations as they become due through available cash and internally generated funds, supplemented as necessary by short-term credit lines.

As of March 31, 2021, we had 95 firm Boeing 737 MAX aircraft orders representing commitments of R$26,857.7 million (US$4,714.1 million) for deliveries through 2028.

We expect to meet our pre-delivery deposits by using long-term loans from private financial institutions guaranteed by first tier financial institutions and capital markets financing, including long-term and perpetual notes as well as sale-leaseback transactions.

For information regarding our negative working capital, see note 1.2 to our unaudited interim condensed consolidated financial statements and "Item 3. Key Information—D. Risk Factors—Risks Relating to Us and the Brazilian Airline Industry—Our financial statements as of and for the years ended December 31, 2019 and 2020 contain a going concern emphasis, due to the significant drop in demand for air travel as a result of the effects of developments relating to the COVID-19 pandemic, and specifically the actions taken by the Brazilian government to address it, which are largely out of our control, and our resulting negative working capital" in our 2020 Annual Report.

We meet our payment obligations relating to aircraft acquisitions with our own funds, short and long-term indebtedness, cash provided by our operating activities, short- and medium-term lines of credit and supplier financing.

Equity

As of March 31, 2021, we had total equity representing a deficit of R$16,407.9 million.

Recent Developments and Trends

As a result of developments relating to the recent global pandemic and government measures to address it, including severe travel restrictions and reduced demand for air travel, we reduced our operations to an essential service in April 2020. Demand for flights began growing since the third week of May 2020 and data showed an increase in demand for both business and leisure air travel. As a result, we began gradually adding flights to our network and this gradual upward trend continued through 2020 and into January 2021. In February and March 2021, demand has decreased, due to a "second wave" of COVID-19, resulting in an increase in cases and hospitalizations in Brazil, combined with customers awaiting vaccination and the beginning of the low travel season in Brazil. We believe the rollout of Brazil's national immunization program will positively affect demand and operations, as we have seen in North America and Europe.

In January 2021, our capacity increased to an average of 489 daily flights, we operated approximately 628 daily flights on peak days, serving customers who flew during the summer vacation in Brazil, and we reached a new record of passengers transported since the beginning of the pandemic with more than 93,000 customers served in a single day. Our January 2021 capacity represented approximately 70% of capacity compared to 2019, before the beginning of the COVID-19 pandemic.

However, in the second half of January 2021, the case counts and number of hospitalizations started increasing due to the emergence of the second wave of COVID-19 in Brazil, and the government started implementing temporary restrictions on mobility at levels which had not been seen since the second quarter of 2020. We experienced an 18% and 28% reduction in the level of sales in January and February 2021, respectively, compared to the respective prior month. As a result, we took advantage of our flexible operating model and adjusted our network in response to the lower demand. In February 2021, we adjusted our capacity to 355 daily flights, representing a 28% reduction compared to January 2021 and a 48% reduction compared to February 2020, and operated approximately 469 daily flights on peak days.

In March 2021, we adjusted our capacity to an average of 245 daily flights, which represented a 31% decrease as compared to February 2021. We operated up to 381 daily flights on peak days. We adapted our fleet to operate 63 aircraft in order to control capacity and costs during this period of lower demand, which reflects our focus on maintaining sustainable operations by continuous matching of seat supply to air travel demand.

The month of April has historically been one of the lowest demand periods due to seasonality. Due to the acceleration of the national vaccination program in Brazil, April 2021 showed an inflection point of the second wave of the global pandemic in Brazil in terms of case counts and level of hospitalizations, and government restricions on mobility decreased, reversing the trends that began in the second half of January 2021. In the last week of April 2021, average sales per day were approximately R$12.0 million, a 50% increase when compared to the last week of March 2021, and the same level of the average daily sales as in August 2020. At the end of April 2021, we were operating approximately 200 daily flights with 47 aircraft, which is four times greater than our "essential network" operations in April 2020.

As part of our flexible fleet strategy, we plan to return five aircraft in the second quarter of 2021. In the 12 months ended March 31, 2021, we reduced our fleet by 17 aircraft and reduced our 737 MAX deliveries scheduled for 2021-2022 by 33 aircraft.

In order to help speed up Brazil's national immunization program, we have made available a portion of our cargo space and passenger seats to transport COVID-19 vaccines and health workers.

The rate at which our operations resume and the impact on our revenue depend on developments relating to the COVID-19 pandemic, government measures to address it and the rate of Brazil's economic recovery – all of which remain highly uncertain as of the date of this offering memorandum, but we believe we have the best flexibility and fleet model to respond to any demand trends.

The unaudited interim condensed consolidated financial statements incorporated by reference into this offering memorandum have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and satisfaction of liabilities and commitments in the normal course of business. As such, the unaudited interim condensed consolidated financial statements do not include any adjustments that might result from an inability to continue as a going concern. If we cannot continue as a going concern, adjustments to the carrying values and classification of our assets and liabilities and the reported amounts of income and expenses could be required and could be material.

USE OF PROCEEDS

We estimate the net proceeds from the sale of the notes will be approximately US$290.1 million, after deducting discounts and commissions to the initial purchasers and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes, including liability management and opportunistic aircraft acquisitions.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of March 31, 2021 (i) on an actual basis, and (ii) as adjusted to give effect to the issuance of US$300.0 million in notes in this offering, excluding accrued interest payable by purchasers of the notes. This table is derived from and should be read together with the sections entitled "Presentation of Financial and Other Information" and "Summary Financial And Other Information" elsewhere in this offering memorandum, as well as "Item 3.A. Selected Financial Data" and "Item 5. Operating and Financial Review and Prospects" in our 2020 Annual Report, which is qualified in its entirety by reference to our audited consolidated financial statements and our unaudited interim consolidated financial statements.

	As of March 31, 2021			
	Actual		As adjusted[1]	
	(in millions of R$)	*(in millions of US$)*[1]	*(in millions of R$)*	*(in millions of US$)*[2]
Short-term debt	2,304.0	404.4	2,304.0	404.4
Long-term debt	8,102.8	1,422.3	8,102.8	1,422.3
Notes issued in this offering[2]	-	-	1,709.1	300.0
Total debt	**10,406.8**	**1,826.7**	**12,115.9**	**2,126.7**
Total deficit	(16,407.9)	(2,880.1)	(16,407.9)	(2,880.1)
Total capitalization[3]	**(6,001.1)**	**(1,053.4)**	**(4,292.0)**	**(753.4)**

(1) Translated for convenience using the U.S. dollar selling rate as reported by the Central Bank of R$5.697 to US$1.00 as of March 31, 2021.
(2) As adjusted to give effect to the issuance of US$300.0 million in notes in this offering, excluding accrued interest payable by purchasers of the notes.
(3) Total capitalization is the sum of total debt and total deficit.

Except as set forth above, there has been no material adverse change to our capitalization since March 31, 2021.

DESCRIPTION OF COLLATERAL

The following summary of the intellectual property collateral, spare parts collateral and other eligible collateral is provided solely for convenience, is not intended to be complete and is qualified in its entirety by reference to the full text and more detailed information contained elsewhere in this offering memorandum, including the appraisal, and any amendments or supplements to this offering memorandum. Investors in the notes are urged to read this offering memorandum in its entirety.

Issue Date Collateral

Intellectual Property

The notes and guarantees will be secured by a first priority security interest in intellectual property comprising:

- Patents, trademarks, brand names, trade dress, know how, 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, but excluding customer data, owned, or later developed or acquired and owned, by GLA and required or necessary to operate GLA's airline business (collectively, the "Brand IP").
- The "voegol.com.br" domain name and similar domain names or any successor domain names (collectively, the "Domain Names").
- All causes of action and claims now or hereafter held by GLA in respect of the Brand IP and Domain Names, including, without limitation, the right to sue or otherwise recover for any and all past, present and future infringements or dilutions thereof.
- All other trademark rights corresponding thereto and all other trademark rights of any kind whatsoever accruing under the Brand IP and Domain Names.
- Together, in each case, with the goodwill of the business connected with such use of, and symbolized by, the Brand IP and the Domain Names (collectively, the "GLA IP").

The security interest in the GLA IP will be granted by GLA under a Brazilian law governed Intellectual Property Fiduciary Sale Agreement, for the benefit of the holders of the notes, represented by the collateral agent.

Spare Parts

The notes and the guarantees will be secured by a first priority security interest in the spare parts (as defined above). The security interest in the spare parts collateral will be granted by GLA under a Brazilian law governed Spare Parts Fiduciary Sale Agreement, for the benefit of the holders of the notes, represented by the collateral agent.

The spare parts included in the collateral fall into two categories, "rotables" and "non-rotables." Rotables are parts that wear over time and can be economically restored to a serviceable condition and, in the normal course of operations, can be repeatedly reconditioned to a fully serviceable condition over a period approximating the life of the flight equipment to which they are related. Examples include avionics units, landing gears, auxiliary power units and major engine accessories. Non-rotables include parts often described in the industry as "repairables" and "expendables" or "consumables." Repairables are replaceable parts or components, commonly economical to repair, and subject to being reconditioned to a fully serviceable condition over a period of time less than the life of the flight equipment to which they are related. Examples include many engine blades and vanes, some tires, seats and galleys. A repairable cannot be a rotable and vice versa. Expendables or consumables consist of items for which no authorized repair procedure exists, and for which cost of repair would normally exceed that of replacement. Expendable items include nuts, bolts, rivets, sheet metal, wire, light bulbs, cable and hoses.

Other Eligible Collateral

Spare Engines

At our option, the notes and the guarantees may also be secured by a first priority security interest in certain spare engines. If granted, the security interest in the spare engines collateral will be granted by GLA under a Brazilian law

governed Spare Engines Fiduciary Sale Agreement (as defined below) for the benefit of the holders of the notes represented by the collateral agent. A pre-approved supplemental indenture to add spare engines as collateral, if any, is annexed as a form to the Indenture.

GLA may not sell any spare engine while the spare engines are subject to the security interest granted by the Spare Engines Fiduciary Sale Agreement. However, GLA will have the right to utilize the spare engines in its ordinary course of business, including, but not limited to, incorporating in, installing on, attaching to or using on an aircraft.

We will perfect the Spare Engines Fiduciary Sale Agreement by filing it with the Brazilian Aviation Registry (*Registro Aeronáutico Brasileiro*), or RAB, and by registering such security interest with the International Registry.

In addition, GLA shall enter into recognition of rights agreements (RORAs) to protect title and interest of the collateral agent in each spare engine under the Spare Engines Fiduciary Sale Agreement regardless of the aircraft on which such spare engine is installed.

Flight Simulators

At our option, the notes and the guarantees may also be secured by a first priority security interest in certain flight simulators. If granted, the security interest in the flight simulator collateral will be granted by GLA under a Brazilian law governed Flight Simulators Fiduciary Sale Agreement for the benefit of the holders of the notes, represented by the collateral agent. A pre-approved supplemental indenture to add flight simulators as collateral, if any, is annexed as a form to the Indenture.

GLA may not sell any flight simulators while the flight simulators are subject to the security interest granted by the Flight Simulator Fiduciary Sale Agreement. However, GLA will have the right to utilize the flight simulators in its ordinary course of business.

Non-Credit Card Backed Receivables

At our option, the notes and the guarantees may also be secured by a first priority security interest in certain non-credit card backed receivables, including cargo business related receivables and certain other receivables (the “Receivables”). If granted, the security interest in the Receivables will be granted by GLA under a Brazilian law governed Receivables Fiduciary Sale Agreement for the benefit of the holders of the notes, represented by the collateral agent. A pre-approved supplemental indenture to add non-credit card receivables as collateral, if any, is annexed as a form to the Indenture

For further details on the valuation of the Receivables and the related collateral account structures, see “Description of the Notes”.

Aircraft

At our option, the notes and the guarantees may also be secured by (i) a first priority security interest on some or all new aircraft acquired that are not subject to a third-party first lien financing and (ii) a second priority security interest on some or all such new aircraft that are subject to a third-party first lien financing that permits a second lien.

If granted, the security interest in the aircraft collateral will be granted by GLA or the applicable aircraft owner under a Brazilian law aircraft mortgage for the benefit of the holders of the notes, represented by the collateral agent. A pre-approved supplemental indenture to add aircraft as collateral, if any, is annexed as a form to the Indenture. We will perfect the Brazilian law mortgage by filing it with the RAB and by registering such mortgage with the International Registry.

GLA may not sell any aircraft while the aircraft is subject to the security interest securing the notes. However, GLA will have the right to utilize the aircraft in its ordinary course of business.

Smiles Collateral

Fiduciary Assignment of Smiles Common Shares

At our option, upon repayment of our US$250.0 million term loan, the notes and guarantees may also be secured by a fiduciary sale of all common shares that GLAI owns in the capital stock of Smiles and the dividends deriving therefrom for the benefit of the holders of the notes, represented by the collateral agent.

GLAI may exercise its voting rights at any time an event of default under the Notes shall not have occurred and be continuing. Upon the occurrence of an event of default under the Notes, GLAI shall only exercise its voting rights related to the collateral shares upon prior written authorization from the Collateral Agent, acting upon instructions from the Trustee.

Unless if an event of default under the Notes has occurred and is continuing, GLAI shall be entitled to receive any payments made to GLAI as shareholder of Smiles, including, without limitation, dividends, interests on equity, bonuses, amounts paid for redemption of shares or capital reduction. Upon the occurrence and continuance of an event of default under the Notes, the Collateral Agent will be authorized to instruct Smiles and the depositary of such to make any and all of such payments to an account indicated by the Collateral Agent.

Smiles Revenue Collateral

If and when GLA or GLAI owns 100% of Smiles' outstanding shares and the Guarantors chooses to merge Smiles into GLA, within 30 days of such merger, the Guarantors may enter into a pre-approved supplemental indenture, the form of which is annexed to the Indenture, under which the notes and guarantees will also be secured by first-priority security interests, governed by Brazilian law, in the following additional collateral:

- All frequent-flyer program revenues and accounts to which those revenues are paid, including, but not limited to, the Smiles Revenue Account and the Collection Account, in each case including all amounts credited thereto or carried therein, any and all investments made with funds therein, any and all other financial assets credited thereto or carried therein and any and all security entitlements with respect to such financial assets, will be granted by GLA to the holders of notes represented by the collateral agent.

Smiles IP Collateral

In addition, if such merger occurs, at our option, the notes and guarantees may also be secured by a first priority security interest in additional intellectual property comprising:

- All intellectual property (*i.e.*, patents, trademarks, brand names, trade dress, know how, 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, but excluding customer data, owned or purported to be owned, or later developed or acquired and owned or purported to be owned, by Smiles and required or necessary to operate the Smiles Program (the "Smiles IP") will be granted by GLA.
    - The Smiles IP includes the Smiles mobile application and certain other software, including all of Smiles' right, title and interest in all currently existing, future and successor co-branding, partnering or similar agreements related to or entered into in connection with the Smiles Program (excluding any third-party software used in or by such software assets) (collectively, the "Smiles Software"), subject to the terms of the applicable agreements.
    - The Smiles IP excludes intellectual property used to operate the GLA airline business that, even if used in connection with the Smiles Program, would be required or necessary to operate the GLA airline business in the absence of a customer loyalty program.
- The "Smiles.com.br" domain name and similar domain names or any successor domain names (collectively, the "Smiles Domain Names").
- All causes of action and claims now or hereafter held by Smiles in respect of the Smiles IP and Smiles Domain Names, including, without limitation, the right to sue or otherwise recover for any and all past, present and future infringements or dilutions thereof.
- All other trademark rights corresponding thereto and all other trademark rights of any kind whatsoever accruing under the Smiles IP and the Smiles Domain Names.
- Together, in each case, with the goodwill of the business connected with such use of, and symbolized by, the Smiles IP and the Smiles Domain Names.

If granted, the security interest in the Smiles IP and the Smiles Domain Names will be granted by GLA under a Brazilian law governed Smiles Intellectual Property Fiduciary Sale Agreement to the holders of notes, represented by the collateral agent. A pre-approved supplemental indenture to add Smiles IP rights as collateral, if any, is annexed as a form to the Indenture

Collateral Sharing

At our option, any collateral securing the notes can serve as collateral on a *pari passu* basis for additional indebtedness issued by GLAI, any of its subsidiaries, or GOL Equity Finance, subject to the requirements of the Indenture, including compliance with the LTV ratio, as well as the terms of an intercreditor agreement that will have, in form and substance, the terms and conditions described below under "Intercreditor Agreement".

Appraisal Reports; Collateral Ratios

We will provide periodic appraisal reports with respect to some or all of the Collateral as described in "Description of Notes—Appraisals". Such appraisals will be used to determine our compliance with the LTV Ratio described in "Description of Notes—LTV Ratio".

The Appraisals

mba, an independent aviation appraisal and consulting firm, has prepared an appraisal of the intellectual property collateral dated April 29, 2021, and of the spare parts collateral dated November 30, 2020. The appraisals are subject to a number of assumptions and limitations and were both prepared based on certain specified methodologies. The appraisal of spare parts was prepared based on information provided to mba during June 2020, and the accuracy of the data was verified by a virtual inspection of the spare parts over the week of July 20, 2020.

The following is the appraised value of the intellectual property and spare parts in the opinion of mba:

Intellectual Property	Appraised Value (in US$ millions)(1)
GLA IP	956.8
Total	**956.8**

Spare Parts	Appraised Value (in US$ millions)(2)
Rotables	123.2
Repairables	15.6
Expendables	50.5
Total	**189.3**

(1) Translated for convenience using the U.S. dollar selling rate as reported by the Central Bank of R$5.697 to US$1.00 as of March 31, 2021.

(2) Because spare parts are regularly used, refurbished, purchased, transferred and discarded in the ordinary course of our business, the value of the collateral will change over time.

We are required to provide to the trustee a semi-annual appraisal of any pledged tangible assets, such as the spare parts collateral and, if applicable, the spare engines collateral, the aircraft collateral and the flight simulator collateral and an annual appraisal of any pledged intangible assets, such as the intellectual property collateral. These appraisals may be provided by mba or any other person certified by ISTAT (or any successor organization thereto) selected by us and provided to the trustee. The subsequent appraisals will be subject to a number of assumptions and limitations and will be prepared based on certain specified methodologies. The subsequent appraisals may be subject to different assumptions and limitations and may be based on other methodologies than the original appraisal conducted by mba. An appraisal that is subject to other assumptions and limitations and based on other methodologies may result in valuations that are materially different from those contained in mba's initial appraisals. In preparing such subsequent appraisals, there will also be only a limited physical inspection of a sample of spare parts at certain locations.

An appraisal is only an estimate, does not necessarily indicate the price at which any intellectual property, spare part or other eligible collateral may be purchased or sold in the market and should not be relied on as a measure of realizable value. The value of the collateral will depend on various factors, including market and economic conditions, the supply of similar parts, the availability of buyers, the frequency and, with respect to the spare parts collateral, the quality of the repair and refurbishment of spare parts and the actual number and condition of spare parts. Accordingly, we cannot assure you that the proceeds realized on any exercise of remedies will equal the appraised value of the intellectual property collateral, the spare parts collateral and, if applicable, the spare engines collateral, the aircraft collateral or the flight simulator collateral or be sufficient to satisfy in full payments due on the notes or the guarantees. See "Risk Factors—Risks Relating to the Collateral—The realizable value of the collateral may differ significantly from any appraised value."

The Fiduciary Sale Agreements

Relevant Brazilian Law

The fiduciary sale (*alienação fiduciária*) is a collateralized transaction under Brazilian law in which a debtor provisionally transfers its ownership in specified assets to a creditor, and these assets serve as collateral to the debtor's obligation.

While a fiduciary sale agreement provides for the provisional transfer of ownership rights in the collateral to a creditor, the possession of the collateral usually remains with the debtor, which holds the collateral on behalf of the creditor, but may continue to use the collateral in specific ways. The debtor is liable for any damages caused to the collateral.

Upon satisfaction by the debtor of its obligation, the ownership rights in the collateral automatically revert to the debtor. If the debtor defaults, the creditor becomes the owner of the collateral and is entitled to sell the collateral to third parties, *provided* that, among other requirements, the creditor initiates a legal proceeding and obtains a court order authorizing the seizure and sale of the collateral. See "—The Fiduciary Sale Agreement—Enforcement of Rights under the Fiduciary Sale Agreement."

In addition, you should be aware that the security interest granted in the non-rotable spare parts may not be valid under Brazilian law, as explained in "Risk Factors—Risks Relating to the Collateral—The security interest granted under the Fiduciary Sale Agreement in the non-rotable spare parts may not be valid under Brazilian law."

Enforcement of Collateral

Brazilian Foreclosure Proceedings

Upon default under the notes or guarantees, holders of the notes, or the trustee, subject to its rights under the Indenture, may notify GLA and/or GLAI (as applicable) of the default. If GLA and/or GLAI (as applicable) does not thereupon satisfy the obligation, the collateral agent on behalf of the holders of the notes, if and as instructed by the trustee, may foreclose the Asset Collateral extrajudicially or initiate a legal proceeding authorizing the seizure of the Asset Collateral.

An enforcement proceeding (*execução de título extrajudicial*) to collect the Asset Collateral may be commenced against GLA and/or GLAI (as applicable). After the process is served, GLA and/or GLAI (as applicable) have 3 (three) days to pay the debt and 15 (fifteen) days to challenge the enforcement proceeding. GLA can request an order to stay the enforcement proceeding in its defense until a judgment is rendered. If GLA and/or GLAI (as applicable) fails to pay the debt, the court shall proceed with attachment and appraisal of the Asset Collateral even if the stay order is granted on behalf of GLA and/or GLAI (as applicable). However, the Asset Collateral can be foreclosed only if the stay order is denied or reversed. A creditor may foreclose the Asset Collateral either through a legal auction or a private sale. Proceeds from the sale are reverted to the holders of the notes. Collateral Assets cannot be sold for less than 50% of the minimum amount indicated in the appraisal report. The creditor also has the option to acquire permanent ownership of the Collateral Assets and, in that case, the creditor will acquire permanent ownership of the Collateral Assets by its judicial appraisal value.

Depending on the type of the collateral (such as equipment or aircraft or trademark) the creditors may choose to file a special proceeding to seize and foreclose the Asset Collateral instead of filling the enforcement proceeding (*execução de título extrajudicial*).

In relation to collateral over equipment/aircraft, creditors may seek the de-registration and export of the relevant aeronautical asset before the Brazilian Aeronautical Registry and the competent authorities by executing the Irrevocable De-registration and Export request Authorization (or "IDERA"), granted by GLA under the relevant fiduciary sale agreements. The IDERA is an instrument provided by the Cape Town Convention on International Interests in Mobile Equipment (the

"Cape Town Convention") and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the "Aircraft Protocol") ratified by Brazil, which may be used by creditors alongside the special proceedings to expedite the foreclosure of the Asset Collateral.

As to the foreclosure of a trademark, the Brazilian Patent and Trademark Office ("INPI") established an administrative procedure for the transfer of trademark ownership rights in case of a judicial sale to satisfy the obligations under the notes or guarantees. After the judicial foreclosure, court shall order INPI to register the transfer of the ownership rights to the buyer. Upon receipt of the judicial order by INPI, the buyer must file a petition proving that its activities are compatible with the trademark to obtain the license to use it or sell and transfer the trademark to a third party that has compatible activities with it.

The extrajudicial foreclosure of a trademark must follow the procedure established on the relevant fiduciary sale agreement. GLA and/or GLAI (as applicable) may file a lawsuit to challenge the extrajudicial foreclosure and request a stay order, provided that the court may request the granting of collateral to secure such order. If the stay order is denied or the extrajudicial foreclosure is not challenged, INPI should register the transfer of the trademark as explained above. Unless GLA and/or GLAI (as applicable) gives the trademark in payment, holders of the notes will be legally obliged to sell the trademark.

Insolvency Proceedings

Insolvency proceedings affecting creditors are (i) judicial reorganization (*recuperação judicial*), (ii) extrajudicial reorganization (*recuperação extrajudicial*), (iii) bankruptcy liquidation (*falência*) and (iv) recognition proceeding of foreign insolvency proceeding governed by Law No. 11,101/2005 ("Brazilian Bankruptcy Law").

Judicial Reorganization

All existing claims prior to the filing of judicial reorganization are subject to the judicial reorganization proceeding, even if the debts are not due at the date of filing. Credits (a) secured by fiduciary assignment/lien (*cessão/alienação fiduciária*), or under contracts of commercial leasing, sale of real property agreements with irrevocable effects clause or under reserve of title over assets; (b) arising from an advance of foreign exchange agreements (*adiantamento de contrato de câmbio*); and (c) tax claims, are not subject to the judicial reorganization ("Excluded Creditors"), in accordance with the current Brazilian Bankruptcy Law. The judicial reorganization request must be filed by the debtor (it is a voluntary proceeding) along with the documentation provided by the Brazilian Bankruptcy Law. The acceptance by the court of the processing of judicial reorganization stays the course of all lawsuits and enforcement proceedings filed against the debtor to claims subject to the judicial reorganization, for a maximum period of 180 days, which may exceptionally be extended once for the same duration, provided that the company under judicial reorganization has not caused the first period to elapse (the "Stay Period").

After the judicial reorganization proceeding is accepted by the court, the debtor must present a reorganization plan to creditors within 60 days, counted from the issuance of the decision accepting the judicial reorganization. The reorganization plan must be approved by the majority of creditors under specific rules for each class of creditors subject to the proceeding during a creditors' meeting. In case it was rejected in the creditors' meeting, however, the court may approve the reorganization plan by a cram down proceeding if certain legal requirements are met. In case the cram down legal requirements are not met, under certain majorities and other legal requirements, creditors may approve the presentation of alternative plan by the creditors. After approval of the debtor's proposed reorganization plan or the creditors' alternative plan, as the case may be, by the creditors' meeting, the court shall confirm the reorganization plan. The approval of a judicial reorganization plan novates all obligations subject to the reorganization proceeding and it is mandatory for the debtor and all creditors subject to it, provided that such novation is conditioned to the fulfillment of debtor's plan obligations for the two years period of court supervision and it shall produce full effects after such period.

Extrajudicial Reorganization

An extrajudicial reorganization may affect adhering or non-adhering creditors to the extrajudicial reorganization plan if (i) the claims of the non-adhering creditors are dealt with in the extrajudicial reorganization plan and such plan is duly signed by creditors representing more than half of each species of claims treated therein or of a group of creditors of the same nature and similar payment conditions and (ii) the extrajudicial reorganization plan is presented in court for confirmation and for binding the non-adhering creditors. Claims arising from the Excluded Creditors cannot be restructured through an extrajudicial reorganization plan.

Liquidation

Liquidation is a procedure 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 sell the assets of the debtor in order to satisfy the credits held by each creditor in a legal payment order provided in the Brazilian Bankruptcy Law. In the liquidation proceeding, all debt and obligations denominated in foreign currency shall be converted into Brazilian Reais at the prevailing exchange rate on the date of declaration of the bankruptcy by the court. 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 Euro, nor that such companies would be able to remit such funds out of Brazil. If the debtor's assets are insufficient to pay its creditors, no interest accrues on claims.

Recognition Proceeding of Foreign Insolvency Proceeding

Brazilian Bankruptcy Law provides for the recognition of foreign insolvency proceedings, which could be considered as foreign main or secondary proceeding 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.

Fiduciary Lien

During the Stay Period in the judicial reorganization, foreclosure of collateral may be subject to certain restrictions. For instance, (a) the foreclosure of assets that are deemed to be essential to carry out the debtor's activities; and (b) 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. In some circumstances, Brazilian courts have impaired creditors' ability to seizure and sell the collateral granted as fiduciary lien (either in a legal proceeding predicated on a default under a facility agreement and guarantees or during a judicial reorganization after the expiration of the Stay Period), if such collateral is deemed essential to the continuation of the borrower's operations and business activities.

Obligations secured by the collateral under a fiduciary lien, such as the fiduciary sale agreements, are not included in and not subject to the reorganization plan, extrajudicial reorganization plan and liquidation, up to the amount secured by the collateral. Payment obligations secured by the collateral under a fiduciary sale agreement, such as the fiduciary sale agreements described herein, are not subordinated to claims that have statutory preference under Brazilian Bankruptcy Law, such as claims for salaries, wages, social security, taxes and court fees and expenses, among others, and shall be paid under a restitution process in the liquidation proceeding for transferring the title of the collateral to the creditor.

If the value of the Asset Collateral is not sufficient to satisfy payment obligations under the notes and guarantees, the holders of the notes would have an unsecured claim as to the difference (deficiency claim) that will be subject to the judicial reorganization/extrajudicial reorganization and shall be paid according to provisions set forth in the reorganization plan/extrajudicial reorganization plan or liquidation proceeding, and then subordinated to claims that have statutory preference.

Therefore, the holders of the notes may enforce their rights in the Asset Collateral during a judicial reorganization, subject to certain limitations. In case the debtor is under liquidation, the creditor will have the right to file a restitution claim to transfer the title of the collateral to the creditor.

Essential Nature of the Asset Collateral to GOL's Operations and Business Activities

Brazilian Bankruptcy Law provides that secured creditors, including beneficiaries of a fiduciary lien, that have rights in assets considered to be essential to the debtor's business activities must wait for the expiration of the Stay Period before enforcing their rights. The Stay Period lasts for 180 days and may be exceptionally extended once, for the same duration, provided that the company under judicial reorganization has not caused the first period to elapse. Brazilian courts may extend the stay period by an additional 180- day period or until the reorganization plan is approved by the creditors' meeting.

Some courts have taken a protectionist approach *vis-à-vis* debtors under judicial reorganization and have decided that, in spite of the expiration of the Stay Period, secured creditors with rights in assets that are considered to be essential to the debtor's business activities may not enforce these rights because doing so would frustrate any plan of reorganization. Brazilian Bankruptcy Law provides that the bankruptcy court has jurisdiction to confirm whether the collateral is considered essential for the company's activities. See "Risk Factors—Risks Relating to the Collateral—Enforcement of rights in the collateral is subject to several difficulties, which may hinder holders of the notes from exercising their rights under the Fiduciary Sale Agreement."

While the essential nature of the Asset Collateral to GOL's operations and business activities may hinder the holders of the notes from seizing the Asset Collateral and selling it to third parties, the Fiduciary Sale Agreement is still a valid and enforceable agreement against GLA not subject to insolvency proceedings. Therefore, the holders of the notes may seek to enforce their credit rights against GLA pursuant to the terms of the Fiduciary Sale Agreement.

Protection Given to the Aviation Industry

As mentioned, Brazil has ratified the Cape Town Convention and the Aircraft Protocol. Specifically, Brazil has made a declaration as a contracting state to apply Article XI, Alternative A, of the Aircraft Protocol, which grants the power to determine a fixed stay period during which aircraft lessors and other creditors may not seek to repossess their aircraft and aircraft objects (i.e. airframes and engines).

Article XI of the Aircraft Protocol states that the debtor shall return possession of the aircraft/engine object to the creditor no later than the earlier of (i) the end of the stay period of 30 calendar days, as specified by Brazil in its declaration as a contracting state; or (ii) the date on which the Creditor would be entitled to possession of the aircraft object had Article XI not been applicable. In the second case, as a rule, this means any provisions under local law or the contractually stipulated date.

In this regard, Article 199, §§1st and 2nd, of the Brazilian Bankruptcy Law provides that creditors under rental, leasing or any other types of leasing over aircrafts are entitled to enforce its right against airline companies under the Cape Town Convention, since such agreements and contracts are not subject to any insolvency proceedings. Consequently, the rule in effect prior to the adoption of the Cape Town Convention by Brazil was that insolvency cases did not stay the rights of lessors. Hence, under default of the debtor the lessor is entitled to repossess its asset (*i.e.*, aircraft and aircraft objects).

Finally, it is worth mentioning that, in Avianca Brazil's 2020 reorganization plan's case, the Trial Court determined that the lessors could not repossess aircraft or equipment until the creditors' meeting that would vote Avianca's reorganization plan, under grounds that consumers rights would be affected if lessors repossessed its assets, thus disregarding the stay period of 30 days determined by the Aircraft Protocol. The lessors filed appeals against such decision and the State Court of Appeals from São Paulo reversed the Trial Court decision and authorized the repossession of the aircraft and equipment. The reasons for the State Court of Appeals from São Paulo decision was the application of the Cape Town Convention and the decision is final and unappealable.

DESCRIPTION OF THE INTERCREDITOR AGREEMENT

Upon the issuance of any indebtedness by GOL that shares any of the collateral securing the notes, the collateral agent and the trustees will enter into an intercreditor agreement to be governed by New York law, which will establish the relative priority and the rights in respect of the collateral of the holders of the notes and the holders of such additional indebtedness. A form of the intercreditor agreement is attached to the indenture. Pursuant to the intercreditor agreement, holders of the notes and holders of certain additional indebtedness will share the collateral on a *pro rata* basis to the extent of their matured claims and will agree that any enforcement on the collateral will require the consenting vote of holders of the notes and of holders of certain additional indebtedness that represent more than fifty percent of the aggregate principal amount of the notes and of certain additional indebtedness then outstanding, provided that if no such consenting vote is obtained within the time period prescribed in the intercreditor agreement, such percentages shall be further reduced from time to time thereafter, as further described in the intercreditor agreement.

The collateral agent will refrain from taking any action to exercise any rights with respect to the collateral unless it is instructed in writing to do so by the trustees representing the requisite group of holders referred to above.

If the trustees or the collateral agent collect any money pursuant to the exercise of remedies under the terms of the Collateral Documents and the intercreditor agreement, they shall pay out the money in the following order:

First: to the payment in full of all amounts constituting fees, indemnities, expenses (including any reasonable fees and expenses of legal counsel and consultants) and other amounts (other than principal and interest) owed to the trustees, the agents under the indentures and the collateral agent;

Second: to the payment in full to the secured parties of all amounts due and unpaid on the notes and certain additional indebtedness for principal and interest ratably;

Third: to the payment in full to the secured parties of any other amounts then owing to such secured parties; and

Fourth: to the Issuer, its successors or assigns, or as a court of competent jurisdiction may otherwise direct.

DESCRIPTION OF NOTES

The Issuer will issue the Notes pursuant to Section 2.15 of the indenture dated December 23, 2020, among the Issuer or GOL Finance; the Guarantors, GOL Linhas Aéreas Inteligentes S.A. or GLAI and GOL Linhas Aéreas S.A. or GLA; The Bank of New York Mellon, as trustee (which term includes any successor as trustee under the indenture), transfer agent, registrar and principal paying agent; and TMF Brasil Administração e Gestão de Ativos LTDA, as collateral agent. We refer to the guarantee issued by GLAI as the "GLAI Guarantee" and the guarantee issued by GLA as the "GLA Guarantee" (collectively, the "Guarantees"). Upon the issuance of any indebtedness by GOL that shares any of the collateral securing the notes, the collateral agent and the trustees will enter into an intercreditor agreement, which will establish the relative priority and the rights in respect of the collateral of the holders of the notes and the holders of such additional indebtedness.

The Notes and Guarantees will be secured by a first-priority Lien granted by the Collateral Documents (as defined below) in the Issue Date Collateral (as defined below), consisting of Spare Parts and the Pledged IP.

Such Collateral Documents will consist of (i) fiduciary sale agreements with respect to the Spare Parts, to be dated on or prior to the Issue Date, by and among, inter alia, GLA, as security provider and the collateral agent, for the benefit of the holders of Notes, as the secured parties and GLAI as an intervening party and (ii) fiduciary sale agreements in respect of the Pledged IP, to be dated on or prior to the Issue Date, by and among GLA or GLAI (as applicable), as security provider, and the collateral agent, for the benefit of the holders of the Notes, as the secured parties, and GLAI or GLA (as applicable) as an intervening party. Within 30 days after the Issue Date, the Issuer will take, or cause to be taken, certain actions to perfect the security interests created by such Collateral Documents as further described under "Description of Collateral—Issue Date Collateral".

Upon the issuance of any Additional Notes and/or Additional Pari Passu Obligations (each as defined below) or in order to cure any LTV Ratio (as defined below) deficiency, the Issuer may also grant a first-priority Lien in certain Additional Collateral (as defined below) pursuant to Collateral Documents that will be entered into at such time. Upon release of the Collateral, all of the obligations under the Notes and the Guarantees will become senior unsecured obligations of the Issuer and the Guarantors. See "—Release of Collateral."

This description of the Notes is a summary of the material provisions of the Notes, the indenture, the intercreditor agreement and the Collateral Documents. You should refer to the Notes, the indenture, the intercreditor agreement and the Collateral Documents for a complete description of the terms and conditions of the Notes, the indenture, the intercreditor agreement and the Collateral Documents, including the obligations of the Issuer and the Guarantors and your rights.

You will find the definitions of capitalized terms used in this section under "—Certain Definitions."

General

The Notes will:

- be senior obligations of the Issuer;
- be secured by the Collateral pursuant to the terms of the Collateral Documents and the intercreditor agreement, subject to the release of the Collateral (see "—Release of the Collateral");
- constitute a reopening of and be consolidated and form a single fungible series with the Issuer's US$200.0 million in aggregate principal amount of 8.00% senior secured notes due 2026 initially issued on December 23, 2020, which would bring the total aggregate outstanding principal amount of the Issuer's 8.00% senior secured notes due 2026 to US$500.0 million; provided that in connection with the issuance of Additional Notes (as defined below), the Issuer is entitled to, without the consent of the holders thereof, increase the outstanding principal amount of the Notes by issuing Additional Notes under the indenture on the same terms and conditions as the Notes offered hereby, so long as (i) the Issuer is in compliance with the LTV Ratio after giving effect to the issuance of such Additional Notes, (ii) the Issuer and the Guarantors shall have entered into additional Collateral Documents and made all necessary filings so that any Additional Collateral required to be delivered in connection with the issuance of any Additional Notes is subject to first priority Liens in favor of the collateral agent, for the benefit of the secured parties, as Collateral for all of the obligations of the Issuer and the Guarantors under the Notes and the Guarantees, and (iii) no Default or Event of Default has occurred and is continuing or will occur as a result of or immediately after the issuance of the Additional Notes;
- mature on June 30, 2026; and

- be represented by one or more registered Notes in global form and may be exchanged for registered Notes in definitive non-global form only in limited circumstances.

Interest on the Notes will:

- accrue at the Interest Rate on the principal amount outstanding;
- accrue from December 23, 2020;
- be payable in cash, semi-annually in arrears on June 30 and December 30 of each year, commencing on June 30, 2021;
- be payable to the holders of record on June 15 and December 15 immediately preceding the related interest payment dates; and
- be computed on the basis of a 360-day year comprised of twelve 30-day months.

The "Interest Rate" will be 8.00% *per annum*.

Default interest will accrue on overdue principal and interest at a rate 2.00% *per annum* higher than the interest rate otherwise applicable to the Notes.

The Notes offered hereby and the Additional Notes, if any, subsequently issued under the indenture will be treated as a single class for all purposes under the indenture, including waivers, amendments, redemptions and offers to purchase; provided, however, that unless such Additional Notes are issued under a separate CUSIP number, such Additional Notes must be fungible with the original notes for U.S. federal income tax purposes. Unless the context requires otherwise, (1) references to "Notes" and "notes" for all purposes of the indenture and this "Description of the Notes" section include any Additional Notes and (2) references to "principal amount" of Notes for all purposes of the indenture and this "Description of the Notes" section include any increase in the principal amount of outstanding Notes, including as a result of Additional Notes.

Further Issuances

On or prior to the date of issuance, the collateral agent and the trustee shall have received an Officer's Certificate of the Issuer and legal opinion from Brazilian external counsel satisfactory to the collateral agent and the trustee to the effect that, subject to certain exceptions and qualifications (see "Risk Factors—Risks Relating to the Notes, the Guarantees and the Collateral—The security interest granted under the Fiduciary Sale Agreement in the Non-Rotable Spare Parts may not be valid under Brazilian law."), each of the Collateral Documents required to be executed on such date has been duly authorized, executed and delivered by GLA and/or GLAI, as applicable, and constitutes the legal, valid, and binding obligation of GLA and/or GLAI, as applicable, enforceable against GLA and/or GLAI in accordance with its terms.

Each of GLA and GLAI shall take, or cause to be taken, all actions necessary, or requested by the collateral agent (acting in accordance with instructions provided by the trustee), to maintain each of the Collateral Documents to which it is a party in full force and effect and enforceable in accordance with its terms and to maintain and preserve the security interest created by the Collateral Documents and the priority thereof. In furtherance of the foregoing, GLA and GLAI shall ensure that all of the Collateral intended to be subject to the security interest granted by the Collateral Documents shall become subject to it having the priority contemplated pursuant to the terms of the Collateral Documents, the indenture and the intercreditor agreement.

On the date of issuance of the Notes, on the date of issuance of any Additional Notes and at such other times as the trustee or the collateral agent (acting in accordance with instructions provided by the trustee) may reasonably request in writing, the Issuer shall furnish, or cause to be furnished, to the trustee and the collateral agent, an opinion of legal counsel stating that, in the opinion of counsel, an action has been taken with respect to (1) amending or supplementing any of the Collateral Documents or executing new Collateral Documents in connection with Additional Collateral and providing any notices or acknowledgments, in each case, as is necessary to subject all the Collateral (including any Additional Collateral) to the security interest granted by the Collateral Documents and (2) the recordation of the amendment to any of the Collateral Documents or to the execution of new Collateral Documents and any other requisite documents as are necessary to maintain the security interest purported to be granted by the Collateral Documents or as are necessary to grant security interests over any Additional Collateral and reciting the details of the action or stating that, in the opinion of counsel, no such action is necessary to maintain the security interest. The opinion of counsel shall also describe the recordation of the amendment to any of the Collateral Documents or to the execution of any new Collateral Documents and any other requisite documents, or

the taking of any other action that will, in the opinion of counsel, be required to maintain the security interest purported to be granted by the Collateral Documents or that will be required to grant any security interest in respect of any Additional Collateral after the date of the opinion.

Notwithstanding anything to the contrary contained in this Description of the Notes or in applicable law, neither the trustee nor the collateral agent shall have responsibility, among other things as set forth in the indenture, for (1) any loss of profits, indirect, consequential, incidental, special, punitive or related losses and/or damages; (2) preparing, recording or filing any instrument in any public office or for otherwise ensuring the perfection or maintenance of any security interest granted pursuant to, or contemplated by, the indenture and the Collateral Documents; (3) taking any necessary steps to preserve rights against any parties with respect to the Collateral; (4) taking any action to protect against any diminution in value of the Collateral; (5) errors in judgment made in good faith unless the trustee was grossly negligent in ascertaining pertinent facts; or (6) for monitoring or confirming (a) each of the Issuer's and the Guarantors' compliance with any of the covenants, including but not limited to, covenants regarding the granting, perfection or maintenance of any security interest, or (b) the market value of the Collateral or its sufficiency to satisfy in full payments due on the Notes.

Appraisals

The Issuer is required to furnish to the trustee and the Collateral Agent (A) on each interest payment date, (B) at any time on which Additional Collateral comprising Asset Collateral is required to be delivered but then solely with respect to such Additional Collateral and (C) at such times upon the request of the trustee during the continuance of a Default or Event of Default, in each case, until release of the Collateral (see "—Release of Collateral"), a certificate of a nationally or internationally recognized independent appraiser with respect to the Asset Collateral. The certificates are required to state the appraiser's opinion of the fair market value of the Asset Collateral, determined on the basis of a hypothetical sale negotiated in an arm's length free market transaction between a willing and able seller and a willing and able buyer, neither of whom is under undue pressure to complete the transaction, under then current market conditions (the "Fair Market Value").

Each appraisal shall determine the Fair Market Value by taking at least the following actions with respect to the Asset Collateral (including any Additional Collateral comprising Asset Collateral): (1) in respect of Collateral consisting of Spare Parts only, reviewing a parts inventory report prepared as of the applicable valuation date; (2) reviewing the appraiser's internal value database for values applicable to the Asset Collateral; (3) in respect of Collateral consisting of Spare Parts only, developing a representative sampling of a reasonable number of the different Spare Parts included in the Asset Collateral for which a market check will be conducted; (4) checking other sources, such as manufacturers, other airlines, U.S. government procurement data and airline parts pooling price lists, for current market prices of the sample parts referred to in clause (3); (5) in respect of Collateral consisting of Spare Parts only, establishing an assumed ratio of serviceable Spare Parts to unserviceable Spare Parts as of the applicable valuation date based upon information provided by GLA and/or GLAI and the independent appraiser's limited physical review of such Asset Collateral referred to in the following clause (6); (6) in respect of Collateral consisting of Spare Parts only, visiting at least two locations selected by the independent appraiser where Asset Collateral is kept by GLA, provided that at least one such location will be one of the top three locations at which GLA keeps the largest number of Spare Parts comprising Asset Collateral; (7) in respect of Collateral consisting of Spare Parts only, conducting a limited review of the inventory reporting system applicable to the Asset Collateral, including checking information reported in such system against information determined through physical inspection pursuant to the preceding clause (6); and (8) reviewing a sampling of the Spare Parts, Spare Engines and Aircraft documents (including tear-down reports).

The Issuer is required to furnish to the trustee (A) on the second interest payment date occurring during each calendar year and (B) at such times upon the request of the trustee during the continuance of a Default or Event of Default, in each case, until release of the Collateral (see "—Release of Collateral"), a certificate of Morten Beyer & Agnew or another nationally or internationally recognized independent appraiser with respect to the Pledged IP.

Release of Collateral

Subject to the terms of the indenture, the Collateral Documents and the intercreditor agreement, the Issuer and the Guarantors will be entitled to the release of the Collateral from the security interest securing the obligations of the Notes under any one or more of the following circumstances:

1) in accordance with the indenture, the Collateral Documents and the intercreditor agreement, if at any time the collateral agent, if and as instructed by the trustee, forecloses upon or otherwise exercises remedies against the Collateral resulting in the sale or disposition thereof;

2) as described under "—Amendment, Supplement, Waiver" below;

3) upon payment in full of the principal of, together with accrued and unpaid interest on, the Notes that are due and payable;

4) upon a legal defeasance or covenant defeasance under the indenture as described below under "—Defeasance;" or

5) except with respect to the Pledged IP and (except in connection of a disposition of Spare Parts described under "Use and Possession of Spare Parts and the Spare Engines") Spare Parts, at any time at the election of the Issuer;

in each case, so long as (A) no Default or Event of Default will exist immediately after such release and (B) the LTV Ratio, immediately after giving effect to such release, will not exceed the Trigger LTV Ratio; and

provided, however, that, notwithstanding the foregoing, the security interest granted under the Collateral Documents will terminate in respect of the Notes on the maturity date of the notes, unless through passage of time, acceleration or otherwise there exists a due and payable payment obligation on the Notes on that date, in which case the security interest in the Collateral will terminate upon satisfaction of that payment obligation. As a consequence of the termination, the Collateral shall be automatically released.

Liens

The Issuer and the Guarantors are required to maintain the Collateral free of any Liens, other than certain permitted liens (which include Senior Liens over any Eligible Aircraft Collateral) and the rights of the holders of the Notes and the holders of any other indebtedness secured by such collateral in accordance with the indenture and the intercreditor agreement, if any, represented by the collateral agent, arising under the Collateral Documents.

Maintenance of Asset Collateral

The Issuer and the Guarantors are required to maintain the Asset Collateral in accordance with applicable law, excluding (i) Spare Parts that have become worn out or unfit for use and not reasonably repairable or obsolete, and (ii) Non-Rotable Spare Parts that have been consumed or used in GLA's operations. In addition, GLA must maintain all records, logs and other materials required by the Brazilian Civil Aviation Authority (*Agência Nacional de Aviação Civil* – ANAC) to be maintained in respect of the Asset Collateral.

Use and Possession of Spare Parts and the Spare Engines

GLA has the right to deal with the Spare Parts and any Spare Engines that are part of the Collateral in any manner consistent with its ordinary course of business. This includes the right to install on, or use in, any aircraft, engine or Spare Part leased to or owned by GLA any Spare Part or to install on any aircraft leased to or owned by GLA any Spare Engine. GLA may dismantle any Spare Part or Spare Engine that it deems worn out or obsolete, beyond economic repair or unfit or no longer suitable for use and may sell or dispose of any such Spare Part or Spare Engine or any salvage resulting from such dismantling, free from the security interest of the Collateral Documents.

GLA may not sell, lease, transfer or relinquish possession of any pledged Spare Part or Spare Engine without the prior written consent of the collateral agent (acting in accordance with instructions provided by the trustee), except as set forth below or as permitted by the Collateral Documents, the indenture and the intercreditor agreement. In the ordinary course of business, GLA may transfer possession of any Spare Part to the manufacturer thereof or any other organization for testing, overhaul, repairs, maintenance, alterations or modifications or to any person for the purpose of transport to any of the foregoing. GLA may also subject any Spare Part to a pooling, exchange, borrowing, or maintenance servicing agreement arrangement customary in the airline industry and entered into in the ordinary course of business, provided (i) there is no detriment to the secured parties' position; (ii) it shall not affect the priority or perfection of the liens of the Collateral Documents or the rights of the collateral trustee; and (iii) all requirements set forth in the Collateral Documents are fully observed by GLA, including but not limited to the subordination to the Collateral Documents of the rights of any lessee, assignee or third party which shall have possession to the Spare Parts and/or Spare Engines.

So long as no Default or Event of Default shall have occurred and be continuing and subject to certain terms of the indenture, GLA may enter into a lease with respect to any Rotable Spare Part to any certificated air carrier that is not then subject to any bankruptcy, insolvency, liquidation, reorganization, dissolution or similar proceeding and shall not have substantially all of its property in the possession of any liquidator, trustee, receiver or similar person. In the case of any such

lease, GLA will include, among other things, in such lease appropriate provisions which (i) make such lease expressly subject and subordinate to all of the terms of the indenture, including the rights of the holders of the Notes and of the holders of any other indebtedness secured by such collateral in accordance with the indenture and the intercreditor agreement, if any, represented by the collateral agent, to avoid such lease in the exercise of its rights to repossession of the Spare Parts thereunder and the requirement that GLA shall remain primarily liable for, among other things, the performance and observance of all terms of the indenture; (ii) require the lessee to comply with the insurance requirements of the indenture; (iii) require the lessee to effect all registrations necessary in whatever jurisdiction to perfect and protect the secured parties' rights in the Collateral and (iv) require that the Spare Parts subject thereto be used in accordance with the limitations applicable to GLA's use and possession of such Spare Parts provided in the indenture, the Collateral Documents and the intercreditor agreement.

In addition to, and notwithstanding anything to the contrary in, the above, GLA will be permitted to dispose of Spare Parts

1) in one or more transactions, if the value of the Spare Parts so disposed (determined by reference to the most recent Appraisal delivered before the disposal of the applicable Spare Parts) in aggregate does not exceed 25% of the value of the Spare Parts contained in the Issue Date Collateral (determined by reference to the initial Appraisal delivered for such Spare Parts) and

2) in one or more transactions, (A) in connection with entering into power-by-the-hour agreements, total care agreements, spare parts subscription agreements or similar arrangements with one or more unaffiliated entities, (B) if the value of the Spare Parts located in Brazil (determined by reference to the most recent Appraisal delivered before the disposal of the applicable Spare Parts) in aggregate does not exceed 75% of the value of the Spare Parts contained in the Issue Date Collateral (determined by reference to the initial Appraisal delivered for such Spare Parts) and (C) if part of the Collateral includes either Loyalty Receivables or shares of Smiles S.A. (or any successor entity),

so long, in each case, as no Default or Event of Default exists or would exist immediately after such transaction and the LTV Ratio immediately after such transaction would be no greater than the Trigger LTV Ratio.

GLA shall (i) maintain the Flight Simulators that comprise any part of the Collateral at a Designated Location and (ii) maintain the Aircraft that comprise any part of the Collateral registered with the Brazilian Aeronautical Registry and having a habitual lease, which shall be deemed a Designated Location for such Collateral, without any prejudice to GLA's right to operate such Collateral in the normal course of business in Brazil and other jurisdictions as required.

Each Spare Engine and each Aircraft that is part of the Collateral may be operated by GLA or, subject to certain restrictions, by certain other persons, including pursuant to wet leases. GLA may transfer possession of any Spare Engine or part comprising any Spare Engine in connection with testing, service, repair or maintenance, or certain permitted modifications or alterations.

GLA may, subject to certain restrictions:

1) subject any Aircraft or Spare Engine to an interchange agreement with (A) airlines domiciled in the United States or Brazil, (B) major international air carriers domiciled in certain permitted countries or countries that maintain diplomatic relations with the Unites States and Brazil, (C) Affiliates of GLA or (D) the governments of Brazil, Canada, France, Germany, Japan, The Netherlands, Sweden, Switzerland, United Kingdom or the United States (each, a "Permitted Lessee");

2) install any Spare Engines on other aircraft owned or leased by GLA or any Permitted Lessee; and

3) lease any Spare Engine or Aircraft that is part of the Collateral to any Permitted Lessees and to manufacturers in Australia, Brazil, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Japan Liechtenstein, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Sweden, Switzerland, the United Kingdom and the United States;

provided that in each case of paragraphs (1) through (3) above (i) there is no detriment to the secured parties' position; (ii) it shall not affect the priority or perfection of the liens of the Collateral Documents or the rights of the collateral agent and the security interest purported to be granted by the Collateral Documents shall be maintained; (iii) all requirements set forth in the Collateral Documents are fully observed by GLA, including that any of the arrangements described in paragraphs (1) through (3) above shall be subject to and subordinate to the Collateral Documents and (iv) the Issuer shall furnish, or cause to

be furnished, to the trustee and the collateral agent, an opinion of legal counsel stating that, in the opinion of counsel, such actions have been taken to satisfy the conditions set forth in sub-paragraphs (i) through (iii).

Insurance

GLA is required to maintain customary insurance covering damage to the Asset Collateral. Such insurance must provide for the reimbursement of GLA's expenditure in repairing or replacing any damaged or destroyed Asset Collateral. If any such Asset Collateral is not repaired or replaced, such insurance must provide for the payment of the amount it would cost to repair or replace such Asset Collateral within a customary number of days after the date of loss, with proper deduction for obsolescence and physical depreciation.

GLA is also required to maintain third party liability insurance with respect to the Asset Collateral in an amount and scope as it customarily maintains for equipment similar to the Asset Collateral and with insurers of nationally or internationally recognized responsibility. GLA may self-insure the risks required to be insured against as described above in respect of any Asset Collateral in such amounts as shall be consistent with its normal practices, except for insurance mandatorily purchased under applicable law. The collateral agent will be a beneficiary of any proceeds from insurance claims related to the Asset Collateral.

Redemption

The Notes will not be redeemable, except as described below. Any optional or tax redemption may require the prior approval of the Central Bank.

Optional Redemption

On and after December 24, 2022, the Issuer may on any one or more occasions redeem the Notes, at its option, in whole or in part, at the following redemption prices (expressed as a percentage of the principal amount), *plus* accrued and unpaid interest and additional amounts (as described below under "—Additional Amounts"), if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on the dates set forth below:

Period	Redemption Price
December 24, 2022	108.000%
December 24, 2023	104.000%
December 24, 2024 and Thereafter	100.000%

Any redemption of notes by the Issuer pursuant to this paragraph will be subject to either (i) there being at least US$150 million in aggregate principal amount of notes (including any Additional Notes) outstanding after such redemption; or (ii) the Issuer redeeming all the then outstanding principal amount of the notes.

Tax Redemption

If as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of a Taxing Jurisdiction (as described below under "—Additional Amounts"), or any amendment to or change in an official interpretation, administration or application of such laws, rules or regulations (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 issue date of the Notes, in the case of the Issuer or any Guarantor, or on or after the date a successor to the Issuer or any Guarantor assumes the obligations under the Notes and the Indenture or Guarantees, in the case of any such successor, (i) the Issuer or any successor to the Issuer has or will become obligated to pay any additional amounts as described below under "—Additional Amounts" in excess of the additional amounts the Issuer or any successor to the Issuer would be obligated to pay if payments were subject to withholding or deduction at a rate of 0% (or in the case of a successor, the rate of withholding applicable to payments on the notes in the jurisdiction of the successor to the Issuer on the date such successor replaces the Issuer) or (ii) the Guarantors or any successor to the Guarantors has or will become obligated to pay additional amounts as described below under "—Additional Amounts" in excess of the additional amounts the Guarantors or any such successor to the Guarantors would be obligated to pay if payments were subject to withholding or deduction at a rate of 15% or at a rate of 25% in the case that the holder of the Notes is resident in a tax haven jurisdiction for Brazilian tax purposes (i.e., a country that does not impose any income tax or that imposes it at a maximum rate lower than 20% or where the laws impose restrictions on the disclosure of ownership composition or securities ownership) (or in the case of a successor whose jurisdiction is not Brazil, the rate of withholding applicable to payments on the notes in the jurisdiction of the successor to a

Guarantor on the date such successor replaces a Guarantor) (each of the rates in (i) and (ii), a "Minimum Withholding Level"), the Issuer or any successor to the Issuer may, at its option, redeem all, but not less than all, of the Notes, at a redemption price equal to 100% of their principal amount, together with accrued and unpaid interest to the date fixed for redemption, upon delivery of irrevocable notice of redemption to the holders not less than 30 days nor more than 90 days prior to the date fixed for redemption. No notice of such redemption may be given earlier than 90 days prior to the earliest date on which either (x) the Issuer or successor to the Issuer would, but for such redemption, become obligated to pay any additional amounts above the Minimum Withholding Level; or (y) in the case of payments made under the Guarantee, the Guarantors or any successor to the Guarantors would, but for such redemption, be obligated to pay the additional amounts above the Minimum Withholding Level. The Issuer or any successor to the Issuer shall not have the right to so redeem the Notes unless (a) it is obligated to pay additional amounts which in the aggregate amount exceed the additional amounts payable at the Minimum Withholding Level or (b) either Guarantor or any successor to the Guarantors is obliged to pay additional amounts which in the aggregate amount exceed the additional amounts payable at the Minimum Withholding Level. Notwithstanding the foregoing, the Issuer or any such successor shall not have the right to so redeem the Notes unless it has taken reasonable measures to avoid the obligation to pay additional amounts. For the avoidance of doubt, reasonable measures do not include changing the jurisdiction of incorporation of the Issuer or any successor to the Issuer or the jurisdiction of incorporation of the Guarantors or any successor to the Guarantors.

In the event that the Issuer or any successor to the Issuer elects to so redeem the Notes, it will deliver to the trustee: (i) an Officer's Certificate, signed in the name of the Issuer or any successor to the Issuer, stating that the Issuer or any successor to the Issuer is entitled to redeem the 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 (ii) an opinion of counsel, who is reasonably acceptable to the trustee, to the effect that (a) the Issuer, or any successor to the Issuer, or the Guarantors, or any successor to the Guarantors, has or will become obligated to pay additional amounts in excess of the additional amounts payable at the Minimum Withholding Level, and (b) such obligation is the result of a 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, as described above.

Open Market Purchases

If the Issuer or its Affiliates purchase any Notes, such purchased Notes will not be resold, except in compliance with applicable requirements or exemptions under the relevant securities laws.

Payments

The Issuer will make all payments on the 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 Notes to the principal paying agent (as identified on the inside back cover page of this offering memorandum), which will pass such funds to the trustee and the other paying agents or to the holders.

The Issuer will make payments of principal upon presentation and surrender of the relevant Notes at the specified office of the trustee or any of the paying agents. The Issuer will pay principal on the Notes upon presentation and surrender thereof. Payments of principal and interest in respect of each note will be made by the paying agents by U.S. dollar check drawn on a bank in New York City and mailed to the holder of such note at its registered address. Upon written application by the holder to the specified office of any 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 indenture, payment by the Issuer or any of the Guarantors of any amount payable under the Notes or any of the Guarantees, as the case may be, on the due date thereof to the principal paying agent in accordance with the indenture will satisfy the obligation of the Issuer, or any of the Guarantors, as the case may be, to make such payment; provided, however, that the liability of the principal paying agent shall not exceed any amounts paid to it by the Issuer or any of the Guarantors, as the case may be, or held by it, on behalf of the holders under the indenture.

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.

Subject to applicable law, the trustee and the paying agents will pay to the Issuer upon written request any monies held by them for the payment of principal or interest that remains unclaimed for two years, and, thereafter, holders entitled to such

monies must look to the Issuer for payment as general creditors. After the return of such monies by the trustee or the paying agents to the Issuer, neither the trustee nor the paying agents shall be liable to the holders in respect of such monies.

Additional Information

For so long as any Notes remain outstanding, the Issuer will make available to any noteholder or beneficial owner of an interest in the Notes, or to any prospective purchasers designated by such noteholder or beneficial owner, upon request of such noteholder or beneficial owner, and in addition to the information referred to under "—Covenants—Reporting Requirements" below, the information required to be delivered under paragraph (d)(4) of Rule 144A unless, at the time of such request, the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act.

Form, Denomination and Title

The Notes will be in registered form without coupons attached in minimum denominations of US$2,000 and integral multiples of US$1,000 in excess thereof.

The Notes will be represented by one or more permanent global Notes in fully registered form without coupons deposited with a custodian for and registered in the name of a nominee of DTC.

Title to the Notes will pass by registration in the register. The registered holder of any note will (except as otherwise required by law and subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, writing on, or theft or loss of, the definitive note issued in respect of it), and no person will be liable for so treating the holder.

Transfer of Notes

Notes may be transferred in whole or in part in an authorized denomination upon the surrender of the note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the registrar or the specified office of any transfer agent. Each new note to be issued upon exchange of Notes or transfer of Notes will, within three business days of the receipt of a request for exchange or form of transfer, be mailed at the risk of the holder entitled to the note to such address as may be specified in such request or form of transfer.

Notes will be subject to certain restrictions on transfer as more fully set out in the indenture. See "Transfer Restrictions." Transfer of beneficial interests in the global Notes will be effected only through records maintained by DTC and its participants. See "Form of the Notes."

Transfer will be effected without charge by or on behalf of the Issuer, the registrar or the transfer agents, but upon payment, or the giving of such indemnity as the registrar or the relevant transfer agent may require, in respect of any tax or other governmental charges which may be imposed in relation to it. The Issuer is not required to transfer or exchange any note selected for redemption.

No holder may require the transfer of a note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that note.

Additional Amounts

All payments by the Issuer (or any paying agent) in respect of the Notes or the Guarantors (or any paying agent) in respect of the guarantees 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 or Luxembourg, or any authority therein or thereof or any other jurisdiction in which the Issuer or any Guarantor is organized, doing business or otherwise subject to the power to tax (any of the aforementioned being a "Taxing Jurisdiction"), unless the Issuer or the Guarantors (or any paying agent) are compelled by law to deduct or withhold such taxes, duties, assessments, or governmental charges. In such event, the Issuer or the Guarantors (or any paying agent), as applicable, will make such deduction or withholding, and the Issuer or the Guarantors, as applicable, will 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 receivable by holders of notes after such withholding or deduction shall equal the respective amounts of principal (and premium, if any) and interest which would have been receivable in respect of the Notes in the absence of such withholding or deduction. Notwithstanding the foregoing, no such additional amounts shall be payable:

1) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such note by reason of the existence of any present or former connection between such holder (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 such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof, being incorporated therein, 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 note or enforcement of rights under the indenture and the receipt of payments with respect to the note;

2) in respect of Notes surrendered or presented for payment (if surrender or presentment is required) more than 30 days after the Relevant Date (as defined below) except to the extent that payments under such note would have been subject to withholdings and the holder of such note would have been entitled to such additional amounts, had the note been surrendered for payment on the last day of such period of 30 days;

3) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or other governmental charges by reason of such holder'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, if (a) compliance is required by law as a precondition to, exemption from, or reduction in the rate of, the tax, duty, assessment or other governmental charge; and (b) the Issuer has given the holders at least 30 days' notice that holders will be required to comply with such certification, identification, documentation or other requirement;

4) in respect of any estate, inheritance, gift, sales, transfer, excise or personal property or similar tax, assessment or governmental charge;

5) in respect of any tax, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal, premium (if any), or interest on the note;

6) in respect of any tax imposed on overall net income or any branch profits tax;

7) in respect of any tax imposed pursuant to sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any successor law or regulation implementing or complying with, or introduced in order to conform to, such sections or any intergovernmental agreement in respect thereof or any agreement entered into pursuant to section 1471(b)(1) of the Code; or

8) in respect of any combination of the above.

In addition, no additional amounts shall be paid with respect to any payment on a note to a holder 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 or 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.

"Relevant Date" means, with respect to any payment on a note, whichever is the later of: (i) the date on which such payment first becomes due; and (ii) if the full amount payable has not been received by the trustee on or prior to such due date, the date on which notice is given to the holders that the full amount has been received by the trustee.

The 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 make a payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority thereof or therein.

In the event that additional amounts actually paid with respect to the Notes described above are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such Notes, and, as a result thereof such holder is entitled to make claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such 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. However, by making such assignment, the holder makes no representation or warranty that the Issuer will be entitled to receive such claim for refund or credit and incurs no other obligation (including, for the avoidance of doubt, any filing or other action) with respect thereto.

The Issuer and the Guarantors shall provide the trustee with documentation reasonably satisfactory to the trustee evidencing the payment of taxes in respect of which the Issuer or the Guarantors, as applicable, have paid any additional amounts. Copies of such documentation shall be made available by the trustee to the holders or the paying agents, as applicable, upon written request therefor.

The Issuer will also pay any present or future stamp, issue, registration, court or documentary taxes or any excise or property taxes, charges or similar levies (including any penalties, interest and other liabilities relating thereto) which arise in any jurisdiction from the execution, delivery, registration, enforcement or the making of payments in respect of the indenture or the Notes or the Guarantees, excluding any such taxes, charges or similar levies imposed by any jurisdiction that is not a Taxing Jurisdiction other than those resulting from, or required to be paid in connection with, the enforcement of the Notes following the occurrence of any Default or Event of Default.

Any reference in this offering memorandum, the indenture or the Notes to principal, interest or any other amount payable in respect of the Notes by the Issuer or any of the Guarantees by the Guarantors 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 subsection.

The foregoing obligation will survive termination or discharge of the indenture.

Covenants

The indenture contains the following covenants:

Limitation on Transactions with Affiliates

Neither the Issuer nor the Guarantors will, nor will the Issuer or the Guarantors permit any of their respective 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) with, or for the benefit of, any Affiliate of the Issuer or the Guarantors, other than themselves or any Subsidiaries, (an "Affiliate Transaction") unless the terms of the Affiliate Transaction are no less favorable to the Issuer or the Guarantors or such 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.

Limitation on Consolidation, Merger or Transfer of Assets

Neither the Issuer nor the Guarantors will consolidate with or merge with or into, or sell, convey, transfer or dispose of, or lease all or substantially all of its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to, any Person, unless:

1) the resulting, surviving or transferee Person (if not the Issuer or a Guarantor) will be a Person organized and existing under the laws of Brazil, Luxembourg, the United States of America, any State thereof or the District of Columbia, 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 date of the indenture, and such Person expressly assumes, by a supplemental indenture to the indenture, executed and delivered to the trustee, all the obligations of the Issuer or the Guarantors under the Notes, the Guarantees (as applicable) and the indenture;

2) the resulting, surviving or transferee Person (if not the Issuer or a Guarantor), if organized and existing under the laws of a jurisdiction other than Brazil or Luxembourg, as applicable, undertakes, in such supplemental indenture, (i) to pay such additional amounts in respect of principal (and premium, if any) and interest as may be necessary in order that every net payment made in respect of the Notes after deduction or withholding for or on account of any present or future tax, duty, assessment or other governmental charge imposed by such other country or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal (and premium, if any) and interest then due and payable on the Notes, subject to the same exceptions set forth under "—Additional Amounts," and (ii) that the provisions set forth under "Redemption—Tax Redemption" shall apply to such Person, but in both cases, replacing existing references in such clause to Brazil or Luxembourg, as applicable, or to the Taxing Jurisdiction with references to the jurisdiction of organization of the resulting, surviving or transferee Person as the case may be;

3) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

4) the Issuer or the Guarantors will have delivered to the trustee an Officer's Certificate and an opinion of independent legal counsel, each stating that such consolidation, merger or transfer and such supplemental indenture, if any, comply with the indenture.

The trustee will accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

Subject to clause (2) above and notwithstanding anything else to the contrary contained in the foregoing, any of the Guarantors may consolidate with or merge with the Issuer or any Subsidiary that becomes a Guarantor concurrently with the relevant transaction.

Repurchase of Notes upon a Change of Control

Not later than 30 days following a Change of Control, the Issuer will make an Offer to Purchase all outstanding Notes at a purchase price equal to 101% of the principal amount *plus* accrued interest to the date of purchase.

An "Offer to Purchase" must be made by written offer, which will specify the principal amount of Notes subject to the offer and the purchase price. The offer must specify an expiration date (the "expiration date") not less than 30 days or more than 60 days after the date of the offer and a settlement date for purchase (the "purchase date") not more than five Business Days after the expiration date. The offer must include information required by the Securities Act, Exchange Act or any other applicable laws. The offer will also contain instructions and materials necessary to enable holders to tender Notes pursuant to the offer.

A holder may tender all or any portion of its Notes pursuant to an Offer to Purchase, subject to the requirement that any portion of a Note tendered must be in a multiple of $1,000 principal amount; provided that if the notes are tendered in part, such holder shall hold in excess of US$10,000. Holders are entitled to withdraw Notes tendered up to the close of business on the expiration date. On the purchase date the purchase price will become due and payable on each Note accepted for purchase pursuant to the Offer to Purchase, and interest on Notes purchased will cease to accrue on and after the purchase date (unless the Issuer defaults in payment of the purchase price, in which case interest will continue to accrue until the purchase price has been paid).

The Issuer will comply with Rule 14e-1 under the Exchange Act, to the extent applicable, and all other applicable laws in making any Offer to Purchase, and the above procedures will be deemed modified as necessary to permit such compliance.

The Issuer's ability to pay cash to the holders following the occurrence of a Change of Control may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the notes. See "Risk Factors—Risks Related to the Notes—We may not have the funds necessary to finance any change of control repurchase offer, as required by the indenture."

The phrase "all or substantially all", as used with respect to the assets of GLAI in the definition of "Change of Control", is subject to interpretation under applicable law, and its applicability in a given instance would depend upon the facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of GLAI has occurred in a particular instance, in which case a holder's ability to obtain the benefit of these provisions could be unclear.

Furthermore, holders may not be entitled to require us to repurchase their Notes upon a change of control in certain circumstances involving a significant change in the composition of our board, including in connection with a proxy contest where our board does not endorse a dissident slate of directors but approves them for purposes of clause ((iii)) of the definition of Change of Control.

Except as described above with respect to a Change of Control, the indenture does not contain provisions that permit the holder of the Notes to require that the Issuer purchase or redeem the notes in the event of a takeover, recapitalization or similar transaction.

The provisions under the indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or amended as described in "—Amendments and Waivers."

Reporting Requirements

The Issuer and the Guarantors will provide the trustee and the Collateral Agent (in the case of clauses (3) and (5) only) with the following reports (and will also provide the trustee with sufficient copies, as required, of the following reports referred to in clauses (1) through (4) below for distribution, at the expense of the Issuer and the Guarantors, to all holders of Notes upon written request):

1) an English language version of GLAI'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 GLAI's unaudited quarterly financial information prepared in accordance with IAS 34 promptly upon such financial 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) on each Calculation Date and upon the date of delivery of any Additional Collateral, an Officer's Certificate (A) setting forth the LTV Ratio as of such Calculation Date or such other date, as the case may be, accompanied by a reasonably detailed calculation thereof and (B) stating whether a Default or an Event of Default exists on the date of such certificate and, if a Default or an Event of Default exists, setting forth the details thereof and the action which the Issuer and/or the Guarantors are taking or propose to take with respect thereto;

4) 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 Issuer or the Guarantors with (a) the CVM, (b) the Singapore Stock Exchange or any other stock exchange on which the Notes may be listed or (c) the SEC (in each case, to the extent that any such report or notice is generally available to its security holders or the public in Brazil or elsewhere and, in the case of clause (c), is filed or submitted pursuant to Rule 12g3-2(b) under, or Section 13 or 15(d) of, the Exchange Act, or otherwise); and

5) upon any officer of the Issuer or either Guarantor becoming aware of the existence of a Default or an Event of Default, an Officer's Certificate setting forth the details thereof and the action which the Issuer and/or the Guarantors are taking or propose to take with respect thereto.

Delivery of the reports referred to in clauses (1), (2) and (4) above to the trustee is for informational purposes only, and the trustee's receipt of such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's or the Guarantors' compliance with any of their covenants in the indenture (as to which the trustee is entitled to rely exclusively on Officer's Certificates).

Substitution of the Issuer

1) Notwithstanding any other provision contained in the indenture, the Issuer may, without the consent of the holders of the Notes (and by purchasing or subscribing for any Notes, each holder of the Notes expressly consents to it), be replaced and substituted by (i) GLAI or (ii) any wholly-owned Subsidiary of GLAI as principal debtor (in such capacity, the "Substituted Debtor") in respect of the Notes; provided that:

    (i) such documents shall be executed by the Substituted Debtor, the Issuer, GLAI and the trustee as may be necessary to give full effect to the substitution, including a supplemental indenture whereby the Substituted Debtor assumes all the Issuer's obligations under the indenture (together, the "Issuer Substitution Documents"), and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favor of each noteholder, the trustee and the agents to be bound by the terms and conditions of the Notes and the provisions of the indenture as fully as if the Substituted Debtor had been named in the Notes and the indenture as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute) and the covenants of GLAI (in the case the Issuer is substituted by GLAI), the covenants of the Issuer (in the case the Issuer is substituted by a wholly-owned Subsidiary of GLAI), Events of Default and other relevant provisions shall continue to apply to the Issuer in respect of the Notes as if no such substitution had occurred, it being the intent that the rights of holders in respect of the Notes shall be unaffected by such substitution, subject to clause (b) below;

    (ii) without prejudice to the generality of the preceding paragraph, the Issuer Substitution Documents shall contain

(x) a covenant by the Substituted Debtor and/or such other provisions as may be necessary to ensure that each noteholder 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 Luxembourg, as applicable, of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes; provided the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than Brazil or Luxembourg, as applicable, and (y) a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless the trustee and the agents and 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 the trustee, any agent or such holder 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 or duties which are imposed on any such noteholder by any political subdivision or taxing authority of any country in which such noteholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

(iii) each stock exchange which has the Notes listed thereon shall have confirmed in writing that following the proposed substitution of the Substituted Debtor, the 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 GLAI may de-list the Notes from the Singapore Stock Exchange or other exchange on which the Notes are listed; and, in the event of any such de-listing, GLAI shall use commercially reasonable efforts to obtain an alternative admission to listing, trading and/or quotation of the Notes by another listing authority, exchange or system within or outside the European Union as it may reasonably decide; provided, that if such alternative admission is not available or is, in the Issuer and GLAI's reasonable opinion, unduly burdensome, the Issuer and GLAI shall have no further obligation in respect of any listing of the Notes;

(iv) the Issuer shall have delivered, or procured the delivery, to the trustee of a legal opinion addressed to the Issuer, the Substituted Debtor and the trustee from a leading firm of lawyers in the country of incorporation of the Substituted Debtor, to the effect that the Issuer Substitution Documents constitute legal, valid and binding obligations of the Substituted Debtor and have been duly authorized, such opinion(s) 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 Debtor and the trustee from a leading firm of Luxembourg or Brazilian lawyers acting for the Issuer and GLAI, as the case may be, 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 Debtor 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 noteholders at the specified offices of the trustee;

(vii) the Substituted Debtor 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 indenture, Notes or the Issuer Substitution Documents;

(viii) there is no outstanding Default or Event of Default in respect of the Notes;

(ix) the substitution complies with all applicable requirements established under the laws of Brazil;

(x) the substitution shall not result in the secured parties failing to maintain a first-priority perfected Lien in the Collateral and shall not otherwise impair or adversely impact the Collateral or the rights of any of the secured parties therein or impose any transfer restrictions on any Collateral or hinder or delay any foreclosure on the

Collateral or otherwise impair the collateral agent's ability to sell or otherwise realize against the Collateral; and

(xi) each of the Substituted Debtor, GLAI and the Issuer shall deliver to the trustee an Officer's Certificate, executed by their respective authorized officers, certifying that the terms of this section 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 (a) above, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer (or of any previous substitute under these provisions) and the 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 Notes and its obligation to indemnify the trustee under the indenture.

3) The Issuer Substitution Documents shall be deposited with and held by the trustee for so long as any note remains outstanding and for so long as any claim made against the Substituted Debtor or the Issuer by any noteholder in relation to the Notes or the Issuer Substitution Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor, GLAI and the Issuer shall acknowledge in the Issuer Substitution Documents the right of every noteholder to the production of the Issuer Substitution Documents for the enforcement of any of the Notes or the Issuer Substitution Documents.

4) Not later than 10 business days after the execution of the Issuer Substitution Documents, the Substituted Debtor shall give notice thereof to the holders in accordance with the provisions described in "—Notices" below.

Collateral

Neither the Issuer nor any of the Guarantors will be permitted to take any action, or knowingly or negligently omit to take any action, which action or omission might or would have the result of materially impairing the security interest with respect to the Collateral for the benefit of the trustee and the holders of the Notes.

The Issuer and the Guarantors shall, on each interest payment date, beginning on December 31, 2021 (each such day, a "Collection Date"), ensure that the LTV Ratio shall be less than the Trigger LTV Ratio.

If the LTV Ratio is equal to or greater than the Trigger LTV Ratio as of any Calculation Date, the Issuer and the Guarantors shall (i) within 15 Brazilian Business Days from such Calculation Date, enter into and deliver all documents and agreements required to grant a first-priority Lien in any Additional Collateral for the benefit of the secured parties in order that the LTV Ratio shall be restored to a level at least equal to the Trigger LTV Ratio and (ii) ensure that the first-priority Lien in such Additional Collateral shall be perfected on or prior to the date falling 30 Brazilian Business Days after such Calculation Date (such 15 Brazilian Business Day period, which will automatically be extended to 30 Brazilian Business Days if clause (i) above is complied with, the "Cure Period").

If (i) the Issuer or the Guarantors fail to restore the LTV Ratio to a level at least equal to the Trigger LTV Ratio on or prior to the expiry of the Cure Period and (ii) the LTV Ratio as of the Calculation Date immediately prior to the commencement of such Cure Period was less than or equal to 70%, then the Issuer will pay additional interest on all outstanding notes in an amount equal to 2.00% *per annum* of the principal amount of such notes commencing on such Calculation Date, and ending on the date on which the LTV Ratio is restored to the Trigger LTV Ratio. If, as of the next succeeding Calculation Date, the LTV Ratio is equal to or greater than the Trigger LTV Ratio, an Event of Default will occur on such succeeding Calculation Date.

If (i) the Issuer or the Guarantors fail to restore the LTV Ratio to a level at least equal to the Trigger LTV Ratio on or prior to the expiry of the Cure Period and (ii) the LTV Ratio was greater than 70% as of the Calculation Date immediately prior to the commencement of such Cure Period, an Event of Default will occur on the date of expiry of the Cure Period.

Events of Default

An "Event of Default" occurs if:

1) the Issuer defaults in any payment of interest (including any related additional amounts) on any Note when the same becomes due and payable and any such default continues for a period of 30 days;

2) the Issuer defaults in the payment of the principal (including any related additional amounts) of any Note when the same becomes due and payable at its Stated Maturity, upon acceleration or redemption or otherwise;

3) any of the Issuer or the Guarantors fails to ensure that the LTV Ratio is less than the Trigger LTV Ratio, when and as required in accordance with the terms set forth in "Collateral";

4) if GLA fails to (a) amend the Collateral Documents related to Spare Parts to update the market value thereof, the list of Spare Parts or the location of the Spare Parts, in accordance with the terms and conditions provided for in the Collateral Documents relating to such Spare Parts; or (b) make the necessary fillings, registrations and annotations related to such amendments in accordance with the terms and conditions provided for in the Collateral Documents relating to such Spare Parts;

5) any of the Issuer or the Guarantors fails to comply with any of its covenants or agreements in the Notes, the indenture or any of the Collateral Documents (other than those referred to in (1), (2), (3) and (4) above), and such failure continues for 60 days after the notice specified below;

6) the Issuer fails to make an Offer to Purchase and thereafter accept and pay for Notes tendered when and as required pursuant to "Repurchase of Notes Upon a Change of Control";

7) any of the Issuer, the Guarantors or any Significant Subsidiary defaults under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt for money borrowed by any of the Issuer, the Guarantors or any such Significant Subsidiary (or the payment of which is guaranteed by any of the Issuer, the Guarantors or any such Significant Subsidiary) whether such Debt or guarantee now exists, or is created after the date of the indenture, which default (a) is caused by failure to pay principal of or premium, if any, or interest on such Debt after giving effect to any grace period provided in such Debt on the date of such default ("Payment Default") or (b) results in the acceleration of such Debt prior to its express maturity and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, totals US$50.0 million (or the equivalent thereof at the time of determination) or more in the aggregate;

8) one or more final non-appealable judgments or decrees for the payment of money of US$50.0 million (or the equivalent thereof at the time of determination) or more in the aggregate are rendered against any of the Issuer, the Guarantors or any Significant Subsidiary and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged and, in the case of each such judgment or decree, either (a) an enforcement proceeding has been commenced by any creditor upon such judgment or decree and is not dismissed within 30 days following commencement of such enforcement proceedings or (b) there is a period of 60 days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed;

9) an involuntary case or other proceeding is commenced against any of the Issuer, the Guarantors or any Significant Subsidiary with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, *administrador judicial*, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 days; or an order for relief is entered against any of the Issuer, the Guarantors or any Significant Subsidiary under the federal bankruptcy laws as now or hereafter in effect and such order is not being contested by any of the Issuer, the Guarantors or such Significant Subsidiary, as the case may be, in good faith or has not been dismissed, discharged or otherwise stayed, in each case within 60 days of being made;

10) any of the Issuer, the Guarantors or any Significant Subsidiary (i) commences a voluntary case or other proceeding seeking liquidation, reorganization, *concordata* or other relief with respect to itself or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (ii) consents to the appointment of or taking possession by a receiver, *administrador judicial*, liquidator, assignee, custodian, trustee, sequestrator or similar official of any of the Issuer, the Guarantors or any Significant Subsidiary or for all or substantially all of the property of any of the Issuer, the Guarantors or any Significant Subsidiary or (iii) effects any general assignment for the benefit of creditors;

11) any event occurs that under the laws of Brazil or any political subdivision thereof or any other country has

substantially the same effect as any of the events referred to in any of clause (9) or (10);

12) (A) an "Event of Default" has occurred under any credit agreement, indenture or similar agreement evidencing Additional Pari Passu Obligations or (B) any enforcement action is taken in respect of the Collateral, including the taking of any steps to foreclose, enforce or require the foreclosure or enforcement against any of the Collateral or otherwise exercise any rights or remedies with respect to the Collateral in accordance with the intercreditor agreement and/or any of the Collateral Documents;

13) any Guarantee ceases to be in full force and effect, other than in accordance with the terms of the indenture, or a Guarantor denies or disaffirms its obligations under its Guarantee;

14) GLAI ceases to own directly 100% of the outstanding share capital of the Issuer; or

15) except as expressly permitted by the indenture and the Collateral Documents, any Collateral Document shall for any reason cease to be in full force and effect in all material respects, or any of the Issuer or the Guarantors or any of their Subsidiaries shall so assert, or any security interest created, or purported to be created, by any of the Collateral Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby.

A Default under clause (5) above will not constitute an Event of Default until the trustee or the holders of at least 25% in principal amount of the Notes outstanding, as the case may be, notify the Issuer and the Guarantors of the Default and the Issuer and the Guarantors, as the case may be, do not cure such Default within the time specified after receipt of such notice.

The trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless a responsible officer of the trustee with direct responsibility for the indenture has received written notice of such Default or Event of Default from the Issuer, the Guarantors or any holder.

If an Event of Default (other than an Event of Default specified in clause (9), (10), (11) or (12)(B) above) occurs and is continuing, the trustee or the holders of not less than 25% in principal amount of the Notes then outstanding may declare all unpaid principal of and accrued interest on all Notes to be due and payable immediately, by a notice in writing to the Issuer and the trustee, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clause (9), (10), (11) or (12)(B) above occurs and is continuing, then the principal of and accrued interest on all Notes will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

The trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request or direction of any of the holders, unless such holders have offered to the trustee indemnity reasonably satisfactory to the trustee. Subject to such provision for the indemnification of the trustee, the holders of a majority in aggregate principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee.

Each of the Collateral Documents and the intercreditor agreement provides that if an Event of Default has occurred and is continuing, the collateral agent may, if and as instructed by the trustee, exercise certain rights or remedies available to it under the agreements or under applicable law. The collateral agent will take such action, or refrain from taking such action, with respect to an Event of Default (including with respect to the exercise of any rights or remedies under each of the Collateral Documents and the intercreditor agreement), only as the trustee shall instruct the collateral agent in writing. The collateral agent will not be required to take any action or refrain from taking any action in connection with the exercise of remedies under each of the Collateral Documents and the intercreditor agreement or to take any action or refrain from taking any action at the direction or instructions of the trustee under the Collateral Documents, the intercreditor agreement or the indenture unless it shall have received indemnification against any risks or costs incurred in connection therewith in form and substance reasonably satisfactory to the collateral agent, including, without limitation, adequate advances against costs which may be incurred by it in connection therewith.

The intercreditor agreement provides for the order of payment in case of collection of any money pursuant to the exercise of remedies under the indenture or the Collateral Documents. See "Description of the Intercreditor Agreement."

The trustee, upon prior written notice to the Issuer, may fix a record date and payment date for any payment to holders of amounts received from the exercise of remedies. At least 15 days before the record date, the trustee will mail to each holder and the Issuer a notice that states the record date, the payment date and amount to be paid.

Defeasance

The Issuer or any Guarantor may at any time terminate all of its obligations with respect to the Notes ("defeasance"), except for certain obligations, including those regarding any trust established for a defeasance and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes, the obligations owed to the trustee and the agents and to maintain agencies in respect of Notes. The Issuer or any Guarantor may at any time terminate its obligations under certain covenants set forth in the indenture, and any omission to comply with such obligations will not constitute a Default or an Event of Default with respect to the Notes issued under the indenture ("covenant defeasance"). In order to exercise either defeasance or covenant defeasance, the Issuer or such Guarantor must irrevocably deposit in trust, for the benefit of the holders of the Notes, with the trustee money or U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of an internationally recognized firm of independent public accountants expressed in a written certificate delivered to the trustee, without consideration of any reinvestment, to pay the principal of, and interest on the Notes to redemption or maturity and comply with certain other conditions, including: (i) in the case of covenant defeasance, the Issuer must deliver to the trustee opinions of U.S., Luxembourg and Brazilian counsel to the effect that the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S., Luxembourg or Brazilian federal income tax purposes, as the case may be, as a result of such covenant defeasance and will be subject to U.S., Luxembourg or Brazilian federal income tax, as the case may be, 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), or (ii) in the case of defeasance, the Issuer must deliver to the trustee an opinion of Luxembourg and Brazilian counsel to the effect that the beneficial owners of the outstanding Notes will not recognize income, gain or loss for Luxembourg or Brazilian federal income tax purposes, as the case may be, as a result of such defeasance and will be subject to Luxembourg or Brazilian federal income tax, as the case may be, on the same amounts, in the same manner, and at the same times as would have been the case if such defeasance had not occurred, and an opinion of U.S. counsel stating that: (x) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (y) since the issue date of the Notes, there has been a change in applicable U.S. federal income tax law, in either case to the effect that (and based thereon such opinion shall confirm that) the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such 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 defeasance had not occurred. In the case of defeasance or covenant defeasance, the Guarantees will terminate.

Amendment, Supplement, Waiver

Subject to certain exceptions, the indenture may be amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding, and any past Default or Event of Default or compliance with any provision may be waived with the consent of the holders of at least a majority in principal amount of the Notes then outstanding. However, without the consent of each holder of an outstanding note affected thereby, no amendment or waiver may:

1) reduce the principal amount of or change the Stated Maturity of any payment on any note;
2) reduce the rate of any interest on any note;
3) reduce the amount payable upon redemption of any note or change the time at which any note may be redeemed;
4) reduce the amount payable or change the time of payment of any amount specified under "—Change of Control Consideration";
5) change the currency for payment of principal of, or interest or any additional amounts on, any note;
6) make any change in the provisions of the indenture relating to the contractual rights of holders expressly set forth in the indenture to institute suit for the enforcement of any right to payment on or with respect to any note;
7) make any change in the provisions of the indenture relating to waivers of certain payment defaults with respect to the Notes;
8) reduce the principal amount of Notes whose holders must consent to any amendment or waiver;
9) make any change in the amendment or waiver provisions which require each holder's consent;
10) modify or change any provision of the indenture affecting the ranking of the Notes or any of the Guarantees in a manner adverse to the holders of the Notes; or

11) make any change in any of the Guarantees that would adversely affect the noteholders.

In addition, notwithstanding the foregoing, without the consent of the holders of at least 66⅔% in aggregate principal amount of the outstanding Notes, no amendment, supplement or waiver may release all or substantially all of the Collateral unless otherwise provided in the indenture, the Collateral Documents and the intercreditor agreement.

The holders of the Notes will receive prior notice as described under "—Notices" of any proposed amendment to the Notes or the indenture or any waiver described in the preceding paragraphs. After an amendment or any waiver described in the preceding paragraphs becomes effective, the Issuer is required to give to the holders a notice briefly describing such amendment or waiver. However, the failure to give such notice to all holders of the Notes, or any defect therein, will not impair or affect the validity of the amendment or waiver.

The consent of the holders of the Notes is not necessary to approve the particular form of any proposed amendment or any waiver. It is sufficient if such consent approves the substance of the proposed amendment or waiver.

The Issuer, the Guarantors, the trustee and the collateral agent (acting in accordance with instructions provided by the trustee) may, without the consent or vote of any holder of the Notes, amend or supplement the indenture, the Notes, the Collateral Documents or the intercreditor agreement, as the case may be, for the following purposes:

1) to cure any ambiguity, omission, defect or inconsistency;
2) to comply with the covenant described under "—Covenants—Limitation on Consolidation, Merger or Transfer of Assets";
3) to add guarantees or collateral with respect to the Notes;
4) to add to the covenants of the Issuer or the Guarantors for the benefit of holders of the Notes;
5) to surrender any right conferred upon the Issuer or the Guarantors;
6) to evidence and provide for the acceptance of an appointment by a successor trustee;
7) to allow for the Substitution of Debtor, as described under "—Substitution of the Issuer";
8) to effect an issuance of any Additional Notes in accordance with the terms of the indenture;
9) to provide for any guarantee or collateral of the Notes, to secure the Notes or to confirm and evidence the release, termination or discharge of any Guarantee or collateral of the Notes when the release, termination or discharge is permitted by the indenture, the Collateral Documents or the intercreditor agreement, as the case may be; or
10) make any other change that does not materially and adversely affect the rights of any holder of the Notes or to conform the indenture to this section "Description of the Notes."

Notices

For so long as 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 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 of the Notes at their registered addresses as they appear in the register maintained by the registrar.

Trustee

The Bank of New York Mellon is the trustee under the indenture.

The indenture contains provisions for the indemnification of the trustee and for its relief from responsibility. The obligations of the trustee to any holder are subject to such immunities and rights as are set forth in the indenture.

Except during the continuance of an Event of Default, the trustee needs to perform only those duties that are specifically set forth in the indenture and no others, and no implied covenants or obligations will be read into the indenture against the trustee. In case an Event of Default has occurred and is continuing, the trustee shall exercise those rights and powers vested in it by the indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs. No provision of the indenture will require the trustee 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 or security satisfactory to it against any loss, liability or expense.

The Issuer and its Affiliates may from time to time enter into normal banking and trustee relationships with the trustee and its Affiliates.

Governing Law and Submission to Jurisdiction

The Notes, the indenture, the intercreditor agreement and the Guarantees will be governed by the laws of the State of New York. The Collateral Documents will be governed by Brazilian law.

Each of the parties to the indenture and the intercreditor agreement will submit to the jurisdiction of the U.S. federal and New York State courts located in the Borough of Manhattan, City and State of New York for purposes of all legal actions and proceedings instituted in connection with the Notes, the Guarantees (as applicable), the indenture and the intercreditor agreement. Each of the Issuer, the Guarantors and the collateral agent will appoint National Corporate Research, Ltd., currently having an office at 10 E. 40th Street, 10th Floor, New York, New York, 10016, as their authorized agent upon which process may be served in any such action.

The provisions relating to meetings of bondholders contained at Articles 470-3 to 470-19 of the Luxembourg Act on commercial companies of August 10, 1915, as amended, shall not apply in respect of the Notes.

Currency Indemnity

U.S. Dollars are the sole currency of account and payment for all sums payable by the Issuer or the Guarantors under or in connection with the indenture, the Notes and the Guarantees, including damages. Any amount received or recovered in a currency other than dollars (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Person in respect of any sum expressed to be due to it from the Issuer or the Guarantors in connection with the indenture, the Notes and the Guarantees will only constitute a discharge to the Issuer or the Guarantors, as the case may be, to the extent of the dollar amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that dollar amount is less than the dollar amount expressed to be due to the recipient, the Issuer and the Guarantors will indemnify such recipient against any loss sustained by it as a result; and if the amount of United States dollars so purchased is greater than the sum originally due to such recipient, such recipient will be deemed to have agreed to repay such excess. In any event, the Issuer and the Guarantors will indemnify the recipient against the cost of making any such purchase.

For the purposes of the preceding paragraph, it will be sufficient for the recipient to certify in a satisfactory manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of dollars been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of dollars on such date had not been practicable, on the first date on which it would have been practicable, it being required that the need for a change of date be certified in the manner mentioned above). These indemnities constitute a separate and independent obligation from the other obligations of the Issuer and the Guarantors, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by any holder of a note and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any note.

Certain Definitions

The following is a summary of certain defined terms used in the indenture. Reference is made to the indenture for the full definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

"Additional Collateral" means any of the following: (i) Asset Collateral (other than the Spare Parts comprising the Issue Date Collateral), (ii) Eligible Account Receivables Collateral, (iii) Cash Collateral, (iv) Loyalty Receivables, (v) shares of Affiliates or direct or indirect Subsidiaries of GLA or GLAI and (vi) Eligible IP Collateral.

"Additional Pari Passu Obligations" means any obligations having Pari Passu Lien Priority relative to the Notes with respect to the Collateral and that is not secured by any other assets; provided that the trustee (or similar agent) for the holders of such obligations shall be or become a party to the Intercreditor Agreement.

"Affiliate" means, with respect to any specified Person, (a) any other Person which, directly or indirectly, is in control of, is controlled by or is under common control with such specified Person or (b) any other Person who is a director or officer (i) of such specified Person, (ii) of any subsidiary of such specified Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the

management and policies of such Person whether by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Aircraft" means any Eligible Aircraft that is owned by GLA or leased to GLA and owned by a special purpose entity in connection with a financing (including any financing by or guaranteed by an export credit agency).

"Aircraft Fiduciary Sale Agreement" means any agreement that may be entered into by and among GLA, as the fiduciary seller of the Aircraft, the holders of the Notes and the holders of the Exchangeable Notes, as the secured parties thereunder, represented by the collateral agent, and GLAI, as intervening party, pursuant to which GLA shall grant the first-priority Lien to the secured parties in the Aircraft.

"Asset Collateral" means any Rotable Spare Parts, Non-Rotable Spare Parts, Spare Engines, Aircraft and Flight Simulators, in each case, subject to a first-priority perfected Lien or, in the case of Aircraft subject to a Senior Lien, a second-priority perfected Lien granted pursuant to the terms of the Collateral Documents.

"Average Exchange Rate" means, as of any date of determination, the average of the Exchange Rate at 5:00 p.m. (New York City time) on each of the preceding 90 days.

"Capital Lease Obligations" means, with respect to any Person, any obligation which is required to be classified and accounted for as a capital lease on the face of a balance sheet of such Person prepared in accordance with IFRS; the amount of such obligation will be the capitalized amount thereof, determined in accordance with IFRS; and the Stated Maturity thereof will 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 terminated by the lessee without payment of a penalty.

"Capital Stock" means, with respect to any Person, any and all shares of stock, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or nonvoting), such Person's equity including any preferred stock, but excluding any debt securities convertible into or exchangeable for such equity.

"Cash Collateral" means all cash and Cash-Equivalents denominated in U.S. Dollars or Reais at any time and from time to time to be deposited in a cash collateral account subject to the first-priority Lien granted pursuant to the terms of the Collateral Documents.

"Cash-Equivalents" means (1) United States dollars, or money in other currencies received in the ordinary course of business that are convertible into United States dollars within three months, (2) U.S. Government Obligations with maturities not exceeding one year 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 United States or any state thereof having capital, surplus and undivided profits in excess of $500 million whose short-term debt is rated "A-2" or higher by S&P or "P-2" or higher by Moody's, (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 at least P 1 by Moody's or A 1 by S&P and maturing within six months after the date of acquisition, (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.

"Change of Control" means the occurrence of any of (i) the direct or indirect sale or transfer of all or substantially all the assets of GLAI to another Person (in each case, unless such other Person is a Permitted Holder), (ii) 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 Permitted Holders) is or becomes the "beneficial owner" (as such term is used in Rules 13d-3 under the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of GLAI; (iii) the first day on which a majority of the Board of Directors of GLAI consists of persons who were elected by shareholders who are not Permitted Holders; or (iv) the Issuer or any Guarantor, as the case may be, are liquidated or dissolved or adopt a plan of liquidation or dissolution other than in a transaction which complies with the provisions described under "—Covenants—Limitation on Consolidation, Merger or Transfer of Assets."

"Collateral" means the Issue Date Collateral and any Additional Collateral.

"Collateral Documents" means, collectively,

1) in respect of any Asset Collateral, the Fiduciary Sale Agreements;

2) in respect of the Pledged IP, the Fiduciary Transfer of Intellectual Property Rights Agreement;

3) in respect of any other Collateral, any security agreement, pledge agreement, assignment agreement, account control agreement, UCC financing statement, fiduciary sale (alienação fiduciária), fiduciary assignment (cessão fiduciária) or other agreements or documents of any kind required to be delivered in connection with any such Collateral and which creates or purports to create a first-priority Lien to the secured parties in such Collateral; and

4) any other document, agreement or instrument required to be delivered in connection with any of the foregoing and which creates or purports to create a first-priority Lien in any of the Collateral to the secured parties.

"CVM" means the Brazilian Securities Commission, or Comissão de Valores Mobiliários.

"Debt" means, with respect to any Person, without duplication:

1) the principal of and premium, if any, in respect of (a) indebtedness of such Person for money borrowed and (b) indebtedness evidenced by Notes, debentures, Notes or other similar instruments for the payment of which such Person is responsible or liable;

2) all Capital Lease Obligations of such Person;

3) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such person and all obligations of such person under any title retention agreement (but excluding trade accounts payable or other short-term obligations to suppliers payable within 180 days, in each case arising in the ordinary course of business);

4) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (1) through (3) above) entered into in the ordinary course of business of such person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth business day following receipt by such person of a demand for reimbursement following payment on the letter of credit);

5) all Hedging Obligations of such Person;

6) all obligations of the type referred to in clauses (1) through (5) of other Persons and all dividends of other Persons for the payment of which, in either case, such person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other persons that are customers or suppliers of such Person for which such Person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such person does not, or is not required to, make payment in respect thereof);

7) all obligations of the type referred to in clauses (1) through (5) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured; and

8) any other obligations of such Person which are required to be, or are in such Person's financial statements, recorded or treated as debt under IFRS.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Location" means Brazil.

"Eligible Account Receivables" means an account receivable other than credit card receivables owing to either of the Guarantors which satisfies the following requirements:

(a) the account receivable is denominated in Reais or U.S. Dollars;

(b) the account receivable results from the sale of goods or performance of services by the Guarantors in the ordinary course of its business;

(c) the account debtor is not claiming any defense to payment of the account receivable, whether well-founded or otherwise, in a court of competent jurisdiction;

(d) the account receivable is owned by the Guarantors free of any Liens or interests of others, except for the Lien in favor of the secured parties and statutory liens or permitted liens (including encumbrances that do not have priority over the Lien in favor of the secured parties);

(e) the account debtor is not an Affiliate or Subsidiary of the Guarantors;

(f) the account debtor has not (i) applied for, suffered, or consented to the appointment of any trustee, receiver, *síndico*, liquidator, custodian or other similar official of it or any substantial part of its property, (ii) filed, or had filed against it, any request or petition for liquidation, reorganization, arrangement, adjustment of debts, adjudication as bankrupt, winding-up, or voluntary or involuntary case under any bankruptcy, insolvency or other similar law now or hereafter in effect, (iii) admitted in writing its inability to pay its debts as they become due, or become generally unable to pay its debts as they become due, (iv) become insolvent, (v) made a general assignment for the benefit of its creditors or (vi) ceased operation of its business; and

(g) the account receivable is not unpaid 90 days after its due date under the original terms of sale or 90 days of its invoice date, whichever occurs first.

"Eligible Account Receivables Collateral" means any Eligible Account Receivables subject to a first-priority perfected Lien granted pursuant to the terms of the Collateral Documents, provided that such first-priority perfected Lien shall be granted pursuant to the terms of a Brazilian law governed pledge (*penhor*).

"Eligible Account Receivables Collateral Value" means 80% of the Net Amount of Eligible Receivables Collateral.

"Eligible Aircraft" means any Boeing model B737-800, B737-700 or B737- MAX 8 family aircraft operated by GLA.

"Eligible IP Collateral" means all rights, owned or purported to be owned, or later developed or acquired and owned or purported to be owned, by Smiles S.A. (or its successor) or any of its subsidiaries, in and to all intellectual property comprising (a) all trademarks, service marks, brand names, designs, and logos that include the word "Smiles" or any successor brand (collectively, the "Loyalty Trademarks"), including (i) all causes of action and claims now or hereafter held by Smiles (or its successor) in respect of the Loyalty Trademarks, including, without limitation, the right to sue or otherwise recover for any and all past, present and future infringements or dilutions thereof and (ii) all other trademark rights corresponding thereto and all other trademark rights of any kind whatsoever accruing under the Loyalty Trademarks; together, in each case, with the goodwill of the business connected with such use of, and symbolized by, each of the Loyalty Trademarks.

"Engine" shall mean an engine used, or intended to be used, to propel an Aircraft, including a part, appurtenance, and accessory of such Engine, powered by jet propulsion and having at least 1750 lb of thrust or its equivalent.

"Exchange Rate" means, the R$/Dollar rate, expressed as the amount of Reais per one U.S. Dollar as reported by the Central Bank of Brazil on the SISBACEN Data System and on its website (which, at the date hereof, is located at http://www.bcb.gov.br) under the sale index, option "all currencies," or any other official index disclosed by the Central Bank of Brazil that replaces the sale index, option "all currencies".

"Fiduciary Sale Agreements" means the collective reference to the Non-Rotables Fiduciary Sale Agreement, the Rotables Fiduciary Sale Agreement, the Spare Engine Fiduciary Sale Agreement, the Aircraft Fiduciary Sale Agreement and the Flight Simulator Fiduciary Sale Agreement, in each case, as amended and/or supplemented from time to time, as applicable.

"Flight Simulator Fiduciary Sale Agreement" means any agreement that may be entered into by and among GLA, as the fiduciary seller of the Flight Simulators, the holders of the Notes and the holders of any other indebtedness secured by such collateral in accordance with the indenture and the intercreditor agreement, if any, as the secured parties thereunder, represented by the collateral agent, and GLAI, as intervening party, pursuant to which GLA shall grant the first-priority Lien to the secured parties in the Flight Simulators.

"Flight Simulators" means the flight simulators and flight training devices owned by GLA or GLAI.

"guarantee" means any obligation, contingent or otherwise, of any person directly or indirectly guaranteeing any Debt or other obligation of any person and any obligation, direct or indirect, contingent or otherwise, of such person (a) to purchase

or pay (or advance or supply funds for the purchase or payment of) such Debt or other obligation of such person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided, however, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"Guarantor" means each of (i) GLAI, (ii) GLA and (iii) any successor obligor under the Guarantee pursuant to the covenant described under the caption "—Covenants— Consolidation, Merger or Sale of Assets", unless and until the Guarantor is released from its Guarantee pursuant to the indenture.

"Hedging Obligations" means, with respect to any person, the obligations of such person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement designed to protect such person against changes in interest rates or foreign exchange rates.

"holder" or "noteholder" means the person in whose name a note is registered in the register.

"IFRS" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

"Issue Date Collateral" means the Asset Collateral on the Issue Date comprising (i) Spare Parts and (ii) the Pledged IP, in each case, subject to the first-priority Lien granted pursuant to the terms of the Collateral Documents. For the avoidance of doubt, the Lien will not apply to (1) any Spare Part so long as it is incorporated in, installed on, attached or appurtenant to, or being used on, an aircraft, engine or Spare Part that is so incorporated, installed, attached, appurtenant or being used, (2) any Spare Part leased to, loaned to, or held on consignment by, GLA, and (3) any Spare Parts that are not specifically identified in the Fiduciary Sale Agreements. Aircraft shall not be included in the Issue Date Collateral.

"Lien" means any mortgage, pledge, security interest, encumbrance, conditional sale or other title retention agreement or other similar lien.

"Loyalty Receivables" means, with respect to any period and without duplication, the aggregate amount of real-denominated revenues of Smiles S.A. under its loyalty program contracts during such period together with all other payments to Smiles S.A. under its loyalty program contracts during such period.

"LTV Ratio" means, as of any date of determination, the ratio, expressed as a percentage, of (a) the sum of (i) the aggregate principal amount of Outstanding Notes *plus* (ii) the aggregate principal amount of any other Pari Passu Obligations, as of such date divided by (b) the Total Collateral Value, as of such date.

"Net Amount of Eligible Receivables Collateral" shall mean, at any time, the gross amount of Eligible Account Receivables Collateral (or, if denominated in Reais, the U.S. Dollar Equivalent thereof) less returns, discounts, claims, credits, promotional program allowances, price adjustments and allowances of any nature at any time issued, owing, granted, outstanding, available, or claimed (in each case without duplication, whether as a result of the failure to comply with the criteria set forth in the definition of Eligible Account Receivables or otherwise).

"Non-Rotable Spare Parts" means parts often described in the industry as "repairables" and "expendables" or "consumables." Repairables are replaceable parts or components, commonly economical to repair, and subject to being reconditioned to a fully serviceable condition over a period of time less than the life of the flight equipment to which they are related. Examples include many engine blades and vanes, some tires, seats, and galleys. A repairable cannot be a rotable and vice versa. Expendables or consumables consist of items for which no authorized repair procedure exists, and for which cost of repair would normally exceed that of replacement. Expendable items include nuts, bolts, rivets, sheet metal, wire, light bulbs, cable, and hoses.

"Non-Rotables Fiduciary Sale Agreement" means the agreement, dated on or around the date of the offering of the notes, entered into by and among GLA, as the fiduciary seller of the Non-Rotable Spare Parts, the holders of the Notes and the holders of the Exchangeable Notes, as the secured parties thereunder, represented by the collateral agent, and GLAI, as intervening party, pursuant to which GLA granted the first-priority Lien to the secured parties in the Non-Rotable Spare Parts as currently or in the future indicated in an exhibit to the Non-Rotables Fiduciary Sale Agreement.

"Officer's Certificate" means a certificate signed by any of the chief executive officer, the chief operating officer, the chief financial officer, the chief accounting officer, the treasurer, a director, the general counsel or any vice president of the Issuer or the applicable Guarantor, as the case may be.

"Pari Passu Lien Priority" means, relative to specified indebtedness, having equal Lien priority on specified Collateral (without regard to any waterfall provisions or the ability to exercise remedies) and subject to the Intercreditor Agreement.

"Pari Passu Obligations" means (i) the Notes obligations and (ii) any Additional Pari Passu Obligations.

"Permitted Holders" means any or all of the following:

1) an immediate family member of Messrs. Constantino de Oliveira, Henrique Constantino, Joaquim Constantino Neto and Ricardo Constantino or any Affiliate or immediate family member thereof; immediate family member of a person means the spouse, lineal descendants, father, mother, brother, sister, father-in-law, mother-in-law, brother-in-law and sister-in-law of such person; and

2) any Person the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned at least 51% by Persons specified in clause (1).

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity, including a government or political subdivision or an agency or instrumentality thereof.

"Pledged IP" means all worldwide rights, owned or purported to be owned, or later developed or acquired and owned or purported to be owned, by GLAI or any of its subsidiaries, in and to all intellectual property comprising (a) all trademarks, service marks, brand names, designs, and logos that include the word "GOL" or any successor brand (collectively, the "Trademarks") and (b) the "www.voegol.com.br" domain name and similar domain names or any successor domain names (collectively, the "Domain Names"), including (i) all causes of action and claims now or hereafter held by GLA in respect of the Trademarks and Domain Names, including, without limitation, the right to sue or otherwise recover for any and all past, present and future infringements or dilutions thereof and (ii) all other trademark rights corresponding thereto and all other trademark rights of any kind whatsoever accruing under the Trademarks and Domain Names; together, in each case, with the goodwill of the business connected with such use of, and symbolized by, each of the Trademarks and Domain Names.

"Real", "Reais" or "R$" means the legal currency of Brazil from time to time.

"Rotable Spare Parts" means parts that wear over time and can be economically restored to a serviceable condition and, in the normal course of operations, can be repeatedly reconditioned to a fully serviceable condition over a period approximating the life of the flight equipment to which they are related. Examples include avionics units, landing gears, auxiliary power units and major engine accessories.

"Rotables Fiduciary Sale Agreement" means the agreement, dated on or around the date of the offering of the notes, entered into by and among GLA, as the fiduciary seller of the Rotable Spare Parts, the holders of the Notes and the holders of the Exchangeable Notes, as the secured parties thereunder, represented by the collateral agent, and GLAI, as intervening party, pursuant to which GLA granted the first-priority Lien to the secured parties in the Rotable Spare Parts as currently or in the future indicated in an exhibit to the Rotables Fiduciary Sale Agreement.

"Senior Lien" means, with respect to any Eligible Aircraft Collateral, a lien in favor of a security trustee, collateral agent, security agent or other similar agent for the benefit of one or more lenders, noteholders or other creditors in a financing transaction (including a financing transaction by or guaranteed by an export credit agency).

"Spare Engines" means any Engine owned by GLA suitable for installation on an Eligible Aircraft that is owned by GLA.

"Spare Engine Fiduciary Sale Agreement" means each agreement, if any, entered into by and among GLA, as the fiduciary seller of the Spare Engines, the holders of the Notes and the holders of the Exchangeable Notes, as the secured parties thereunder, represented by the collateral agent, and GLAI, as intervening party, pursuant to which GLA granted the first-priority Lien to the secured parties in the Spare Engines.

"Spare Parts" means, collectively, Rotable Spare Parts and Non-Rotable Spare Parts.

"Significant Subsidiary" means any Subsidiary of GLAI (or any successor) which at the time of determination either (a) had assets which, as of the date of GLAI's (or such successor's) most recent quarterly consolidated balance sheet, constituted at least 10% of GLAI'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 GLAI's (or such successor's) most recent quarterly consolidated statement of income which constituted at least 10% of GLAI's (or such successor's) total revenues on a consolidated basis for such period.

“Stated Maturity” means, with respect to any security, the date specified in such security as the fixed date on which the principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

“Subsidiary” means, in respect of any specified Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person.

“Total Collateral Value” means, on any date of determination:

1) the Fair Market Value of the Issue Date Collateral consisting of Spare Parts and of the Asset Collateral denominated in U.S. Dollars based on the most recent appraisal delivered prior to such date of determination (provided that the Fair Market Value of any Asset Collateral subject to a Senior Lien shall be reduced by the principal amount of the Indebtedness secured by such Senior Lien); *plus*

2) the Eligible Account Receivables Collateral Value denominated in U.S. Dollars (or, if denominated in Reais, 90% of the U.S. Dollar Equivalent thereof); *plus*

3) the face value of the Cash Collateral denominated in U.S. Dollars (or, if denominated in Reais, 90% of the U.S. Dollar Equivalent thereof);

4) the value of the Pledged IP, any other Eligible IP Collateral that is part of the Collateral denominated in U.S. Dollars based on the most recent appraisal delivered prior to such determination; *plus*

5) the value of any pledged shares, determined (i) in the case of shares traded on a public exchange, by reference to the trading price at the close of business on the Business Day preceding the date of determination or (ii) in the case of all other shares, by reference to the book value (without duplication) of the Issuer of such shares and its assets net of its liabilities, as shown in the most recent quarterly consolidated financial statements of GLAI prepared in accordance with IFRS.

in each case, as of such date of determination; provided that to the extent that the Fair Market Value of any Non-Rotable Spare Parts that are “expendables” or “consumables” exceeds an amount equal to 30% of the Fair Market Value of all Spare Parts and Spare Engines that comprise Collateral, the Fair Market Value of such Non Rotable Spare Parts that are “expendables” or “consumables” in excess of such 30% shall be disregarded for the purposes of calculating the Fair Market Value of the Asset Collateral.

“Trigger LTV Ratio” means 65%.

“U.S. Dollar Equivalent” means, on any date of determination, with respect to any amount in Reais, the equivalent in U.S. Dollars of such amount, using the Average Exchange Rate calculated as of such date.

“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.

FORM OF NOTES

Notes sold in reliance on Rule 144A will be represented by a permanent global note or notes in fully registered form without interest coupons (the "144A Global Note") and will be deposited with a custodian for DTC and registered in the name of a nominee of DTC. Notes sold in reliance on Regulation S will be represented by a separate permanent global note or notes in fully registered form without interest coupons (the "Regulation S Global Note" and with the 144A Global Note, "Restricted Global Notes") and will be deposited with a custodian for DTC and registered in the name of a nominee of DTC.

Except in the limited circumstances described under "—Restricted Global Notes," owners of the beneficial interests in Restricted Global Notes will not be entitled to receive physical delivery of individual definitive notes. The notes are not issuable in bearer form.

Restricted Global Notes

Upon the issuance of a Restricted Global Note, DTC will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Restricted Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the initial purchasers. Ownership of beneficial interests in a Restricted Global Note will be limited to persons who have accounts with DTC ("DTC Participants") or persons who hold interests through DTC Participants (including Euroclear and Clearstream Luxembourg). Ownership of beneficial interests in the Restricted Global 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 persons other than DTC Participants).

So long as DTC, or its nominee, is the registered owner or holder of a Restricted Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such Restricted Global Note for all purposes under the indenture and the notes. Unless DTC notifies us that it is unwilling or unable to continue as depositary for a Restricted Global Note, or ceases to be a "clearing agency" registered under the Exchange Act, or any of the notes becomes immediately due and payable in accordance with "Description of Notes—Events of Default," owners of beneficial interests in a Restricted Global Note will not be entitled to have any portions of such Restricted Global Note registered in their names, will not receive or be entitled to receive physical delivery of notes in individual definitive form and will not be considered the owners or holders of such Restricted Global Note (or any notes represented thereby) under the indenture or the notes. In addition, no beneficial owner of an interest in a Restricted Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the indenture referred to herein and, if applicable, those of Euroclear and Clearstream).

Investors may hold interests in a Restricted Global Note through Euroclear or Clearstream, if they are participants in such systems, Euroclear and Clearstream will hold interests in the Restricted Global Notes on behalf of their account holders through customers' securities accounts in their respective names on the books of their respective depositaries, which, in turn, will hold such interests in the Restricted Global Notes in customers' securities accounts in the depositaries' names on the books of DTC.

Payments of the principal of and interest on Restricted Global Notes will be made to DTC or its nominee as the registered owner thereof. Neither we, any initial purchaser, the trustee nor any agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Restricted Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We anticipate that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Restricted Global Note representing any notes held by its nominee, will credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Restricted Global Note as shown on the records of DTC or its nominee. We also expect that payments by DTC Participants to owners of beneficial interests in such Restricted Global Note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a Restricted Global Note to such persons may be limited. Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having a beneficial interest in a Restricted Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a

physical individual definitive certificate in respect of such interest. Transfers between accountholders in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions available to the notes described above, cross-market transfers between DTC participants, on the one hand, and directly or indirectly through Euroclear or Clearstream account holders, on the other hand, will be effected at DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, such cross-market transactions 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 its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in a Restricted Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream account holders may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream account holder purchasing an interest in a Restricted Global Note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date and such credit of any transactions in interests in a Restricted Global Note settled during such processing day will be reported to the relevant Euroclear or Clearstream accountholder on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in a Restricted Global Note by or through a Euroclear or Clearstream account holder to a DTC Participant will be received for value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

DTC has advised that it will take any action permitted to be taken by holder of notes (including the presentation of notes for exchange as described below) only at the direction of one or more DTC Participants to whose account or accounts with DTC interests in the Restricted Global Notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such DTC Participant or DTC Participants has or have given such direction. However, in the limited circumstances described below, DTC will exchange the Restricted Global Notes for individual definitive notes (in the case of notes represented by the Restricted Global Note, bearing a restrictive legend), which will be distributed to its participants. Holders of indirect interests in the Restricted Global Notes through DTC Participants have no direct rights to enforce such interests while the notes are in global form.

The giving of notices and other communications by DTC to DTC Participants, by DTC Participants to persons who hold accounts with them and by such persons to holders of beneficial interests in a Restricted Global Note will be governed by arrangements between them, subject to any statutory or regulatory requirements as may exist from time to time.

DTC has advised as follows: 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 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 securities 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 security brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is 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 participants”).

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Restricted Global Notes among participants and accountholders of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of us, the trustee or any agent will have any responsibility for the performance of DTC, Euroclear or Clearstream or their respective participants, indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Individual Definitive Notes

The Issuer will issue individual definitive notes in registered form in exchange for a Restricted Global Note in the circumstances described above in “Description of Notes—Book-Entry, Settlement and Clearance—Certificated Notes.” Upon receipt of such notice from DTC, we will use our best efforts to make arrangements with DTC for the exchange of interests in the Restricted Global Notes for individual definitive notes and cause the requested individual definitive notes to be executed

and delivered to the trustee in sufficient quantities and authenticated by the registrar for delivery to the trustee. Persons exchanging interests in a Restricted Global Note for individual definitive notes will be required to provide to DTC (for delivery to the trustee) (a) written instructions and other information required by us and the trustee to complete, execute and deliver such individual definitive notes and (b) in the case of an exchange of an interest in a Restricted Global Note, a certification that such interest is not being transferred or is being transferred only in compliance with Rule 144A under the Securities Act or Regulation S, as applicable. In all cases, individual definitive notes delivered in exchange for any Restricted Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by DTC.

Upon any issuance of individual definitive notes, the Issuer will appoint and maintain a paying agent in Singapore, for so long as the notes are listed on the SGX-ST and the rules of such exchange so require. In such event, an announcement shall be made through the SGX-ST and will include all material information with respect to the delivery of the definitive notes, including details of the paying agent in Singapore. Upon any change in the paying agent or registrar, the Issuer will publish a notice in a leading daily newspaper of general circulation in Singapore (which is expected to be *The Business Times* (Singapore Edition)).

In the case of individual definitive notes issued in exchange for a Restricted Global Note, such individual definitive notes will bear, and be subject to, the legend described in "Notice to Investors; Transfer Restrictions" (unless we determine otherwise in accordance with applicable law). The holder of a restricted individual definitive note may transfer such note, subject to compliance with the provisions of such legend, as provided in "Description of Notes." Upon the transfer, exchange or replacement of notes bearing the legend, or upon specific request for removal of the legend on a note, the Issuer will deliver only notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to us such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by us that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act. Before any individual definitive note may be transferred to a person who takes delivery in the form of an interest in any Restricted Global Note, the transferor will be required to provide the trustee with a Restricted Global Note Certificate.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear, Clearstream or DTC.

Transfers Within and Between Global Notes

Beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the 144A Global Note only if such transfer is made pursuant to Rule 144A and (a) the transferor first delivers to the trustee a certificate (in the form provided in the indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer in compliance with Rule 144A that is also a qualified purchaser, and in accordance with all applicable securities laws of the states of the United States and other jurisdictions, and in addition (b) if the transfer is made prior to 40 days after the date of the initial issuance of the notes, the transferee first delivers to the trustee a certificate (in the form provided in the indenture) to the effect that such transferee (i) is a qualified institutional buyer who is also a qualified purchaser and (ii) agrees to comply with the restrictions on transfer set forth in this offering memorandum.

Beneficial interests in the 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note only upon receipt by the trustee of a written certification (in the form provided in the indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S.

Transfers of beneficial interests in the Regulation S Global Note for beneficial interests in the 144A Global Note or vice versa will be effected by DTC by means of an instruction originated by the trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Restricted Global Notes that is transferred to a person who takes delivery in the form of an interest in another Restricted Global Note will, upon transfer, cease to be an interest in such Restricted Global Note and will become an interest in the other Restricted Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Restricted Global Note for so long as it remains such an interest.

Payment for such transfers will occur outside the clearing systems and the beneficial interest will be transferred "free of payment."

TAXATION

The following discussion, subject to the limitations set forth below, describes material Luxembourg, Brazilian and United States tax considerations relating to your ownership and disposition of notes. This discussion does not purport to be a complete analysis of all tax considerations in Luxembourg, Brazil or the United States and does not address tax treatment of holders of notes under the laws of other countries or taxing jurisdictions. Holders of notes who are resident in countries other than Luxembourg, Brazil and the United States along with holders that are resident in those countries, are urged to consult with their own tax advisors as to which countries' tax laws could be relevant to them.

Luxembourg Taxation

This section provides for a general overview of the material Luxembourg tax consequences relating to your investment in the notes issued by the Issuer. This section is therefore not intended to provide for a comprehensive description of all the tax consequences related to your decision to invest in, hold or dispose of the notes.

Withholding Tax

As a general rule, under Luxembourg tax laws currently in effect, there is no withholding tax applicable to payments of interest to non-Luxembourg residents.

All payments by the Issuer in the context of the holding, disposal or redemption of the notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable Luxembourg law, subject, however, to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 (the "23 December 2005 Law"), as amended by the Luxembourg law of 23 December 2016, which introduced:

- a 20% withholding tax (the "20% withholding tax") levied on interest and certain income assimilated to interest paid to Luxembourg resident individuals by a paying agent established in Luxembourg; and
- an optional 20% tax (the "20% tax") on interest and certain income assimilated to interest paid to Luxembourg resident individuals by a paying agent established in an E.U. Member State (other than Luxembourg) or a Member State of the European Economic Area.

The 20% withholding tax and the 20% tax operate a full discharge of income tax for Luxembourg resident individuals acting in the context of the management of their private wealth. Responsibility for the withholding of tax in application of the 23 December 2005 Law is assumed by the Luxembourg paying agent (in the case of the 20% withholding tax) and by the Luxembourg resident holder of the notes (in the case of the 20% tax).

Taxes on Income and Capital Gains

Non-resident Holders of Notes

A non-resident holder of notes, not having a permanent establishment or permanent representative in Luxembourg to which or to whom such notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the notes. A gain realized by such non-resident holder of notes on the sale or disposal, in any form whatsoever, of the notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of notes or an individual holder of notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the notes, and on any gains realized upon the sale or disposal, in any form whatsoever, of the notes.

Luxembourg Resident Corporate Holders of Notes

A corporate holder of notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of notes that is governed by the law of May 11, 2007 on family estate management companies, as amended, or by the law of December 17, 2010 on undertakings for collective investment, as amended, or by the law of

February 13, 2007 on specialized investment funds, as amended, or by the law of July 23, 2016 on reserved alternative investment funds, and which does not fall under the special tax regime set out in article 48 thereof, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realized on the sale or disposal, in any form whatsoever, of the notes.

Net Wealth Tax

Luxembourg net wealth tax (without prejudice to the annual minimum net wealth tax) will not be levied on a corporate holder of a note unless:

- such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions and is not a holder of a note governed by (i) the laws of December 20, 2002, December 17, 2010 or the law of February 13, 2007 on undertakings for collective investment, or (ii) the law of March 22, 2004 on securitization, or (iii) the law of June 15, 2004 on the investment company in risk capital, or (iv) the law of May 11, 2007 on family estate management companies or (v) the law of July 13, 2005 on Luxembourg pension structures; or
- such note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative.

Registration Tax

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty due in Luxembourg by the holders of notes as a consequence of the issuance of the notes. No Luxembourg registration tax, stamp duty or other similar tax or duty is due either in case of a subsequent repurchase, redemption or transfer of the notes.

However, a fixed or ad valorem registration duty may be due upon the registration of the notes in Luxembourg if the notes are appended to a deed which is subject to mandatory registration, or in the case of a registration of the notes on a voluntary basis, or if the notes are lodged with the notary for his records.

Gift Tax

No Luxembourg gift tax is due upon the donation of notes unless such donation is registered in Luxembourg (which is generally not required).

Value Added Tax

No Luxembourg value added tax is levied with respect to (i) any payment made in consideration of the issuance of the notes; (ii) any payment of interest; (iii) any repayment of principal or upon redemption; and (iv) any transfer of the notes.

Brazilian Taxation

The following discussion is a general description of certain Brazilian tax aspects relating to the ownership and sale of the notes applicable to a holder of the notes that is an individual, entity, trust or organization resident or domiciled outside Brazil for tax purposes ("Non-Resident Holder"). The discussion is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in the Brazilian law that may come into effect after such date as well as to the possibility that the effect of such change in the Brazilian law may be retroactive and apply to rights created on or prior to the date thereof. The information set forth below is intended to be a general description only and does not purport to be a comprehensive description of all the tax aspects of the notes. Therefore, each Non-Resident Holder should consult his/her/its own tax advisor concerning the Brazilian tax consequences in respect of the notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

Investors should note that, as to the discussion below, other income tax rates or treatment may be provided for in any applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled. This summary does not address any tax issues that affect solely our company, such as deductibility of expenses.

Interest or Principal Payment Under the Notes

Generally, a Non-Resident Holder is taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposition of assets located in Brazil. Given that the Issuer is an entity incorporated under the laws of Luxembourg and is not registered to conduct business in Brazil, it would not qualify as a Brazilian resident company for purposes of the Brazilian tax legislation.

Therefore, as the Issuer should be considered domiciled outside of Brazil for tax purposes, any income (including accrued interest, fees, commissions, expenses, and any other income payable by the Issuer in respect of the Notes in favor of Non-Resident Holders) should not be subject to withholding or deduction in respect of Brazilian income tax or any other tax duties, assessments or governmental charges in Brazil, provided that such payments are made with funds held by the Issuer outside of Brazil.

Capital Gains

Capital gains realized on the sale or disposition of assets located in Brazil by a Non-Resident Holder are subject to taxation in Brazil regardless of whether the acquirer is resident or domiciled in Brazil, according to Section 26 of Law No. 10,833, enacted on December 29, 2003. Based on the fact that the notes are issued and registered abroad, the notes should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833. Hence, gains arising from the sale or other disposition of the notes (which for the purposes of this paragraph includes any deemed income on the difference between the issue price of the notes and the price at which the notes are redeemed, or "original discount") made outside Brazil by a Non-Resident Holder to another non-Brazilian resident should not be subject to Brazilian taxes.

However, considering the general and unclear scope of Law No. 10,833 and the absence of judicial guidance in respect thereof, we cannot assure prospective investors that such interpretation will prevail in the courts of Brazil.

If income tax is deemed to be due, the gains may be subject to income tax in Brazil. For Non-Resident Holders that are not in Favorable Tax Jurisdictions (as defined below), income tax on gains realized on the sale or disposition of assets located in Brazil will subject to rates ranging from 15% to 22.5%, according to the amount of the gain. A rate lower than 15% may be provided for in an applicable tax treaty between Brazil and the country where the Non-Resident Holder is domiciled.

In case the Non-Resident Holder making the sale or disposition is located in a jurisdiction that does not impose any income tax or which imposes it at a maximum rate lower than 20%, or in a country or location where laws impose restrictions on the disclosure of shareholding composition or the ownership of investments, as currently prescribed by Article 1 of Normative Instruction No. 1,037/2010 issued by the Brazilian Revenue Service, or a Favorable Tax Jurisdiction, the gains will be subject to a flat 25% rate. See "—Discussion on Favorable Tax Jurisdictions."

In certain circumstances, if income tax is not paid, the amount of tax charged could be subject to an upward adjustment, as if the amount received by the Non-Resident Holder was net of taxes in Brazil (gross-up).

Payments Made by the Guarantors

If, by any chance, a Brazilian source is required, as a guarantor, to assume the obligation to pay any amount in connection with the notes to a Non-Resident Holder (including principal, interest or any other amount that may be due and payable in respect of the notes), Brazilian tax authorities could attempt to impose withholding income tax upon such payments.

Should the Guarantors be obliged to pay interest to a Non- Resident Holder in connection with the notes, withholding income tax at the rate of 15% may apply (or 25% if the Non-Resident Holder is located in a Favorable Tax Jurisdiction).

There is some uncertainty regarding the applicable tax treatment to payments of the principal amount by the Guarantors to Non-Resident Holders. However, there are arguments that can be sustained that payments made under the guarantees should be subject to imposition of the Brazilian income tax according to the nature of the guaranteed payment, in which case only interest and fees should be subject to taxation at the rates of 15%, or 25% in cases of beneficiaries located in a Favorable Tax Jurisdiction. There are no precedents from Brazilian courts endorsing that position and it is not possible to assure that such argument would prevail in court. Any other payments made by the Guarantors, such as fees and commissions, may be subject to specific tax treatment in Brazil, depending on the nature of the payment and the location of the respective Non-Resident Holder.

Please note that different rates may apply if the tax treaty between the country of residence of the Non-Resident Holder and Brazil sets forth a lower withholding income tax rate.

Foreclosure of Collateral

The sale of assets sourced in Brazil as a result of foreclosure of any security interest may be subject to income tax in Brazil. If the seller is a non-Brazilian resident that is not in Favorable Tax Jurisdictions (as defined below), income tax on gains realized on the sale or disposition of assets located in Brazil will subject to rates ranging from 15% to 22.5%, according to the amount of the gain, while if the seller is a non-Brazilian resident that is in a Favorable Tax Jurisdiction, income tax will

be due at a 25% flat rate. Such income tax will be withheld from the purchase price of the secured asset and therefore may reduce the net proceeds available for the payment of the secured obligation.

Discussion on Favorable Tax Jurisdictions

On June 4, 2010, Brazilian tax authorities enacted Normative Instruction No. 1,037 listing (1) Favorable Tax Jurisdictions and (2) the Privileged Tax Regimes, which definition is provided by Law No. 11,727, of June 23, 2008. On December 12, 2014, the Ministry of Finance issued Rule No. 488 narrowing the concept of Favorable Tax Jurisdictions and Privileged Tax Regimes to those that impose taxation on income at a maximum rate lower than 17%, if the relevant jurisdiction is committed to adopt international standards on tax transparency. Under Brazilian law, the aforementioned commitment is present if the relevant jurisdiction (i) has entered into (or concluded the negotiation of) an agreement or convention authorizing the exchange of information for tax purposes with Brazil and (ii) is committed to the actions discussed in international forums on tax evasion in which Brazil has been participating, such as the Global Forum on Transparency and Exchange of Information. Nevertheless, until now, there has been no amendment to Normative Ruling No. 1,037 to reflect such threshold modification.

Although we believe that the best interpretation of the current tax legislation could lead to the conclusion that the above mentioned Privileged Tax Regime concept should apply solely for purposes of Brazilian tax rules related to transfer pricing and thin capitalization, we cannot assure you whether subsequent legislation or interpretations by the Brazilian tax authorities regarding the definition of a Privileged Tax Regime provided by Law No. 11,727 will also apply for purposes of the imposition of Brazilian withholding income tax on payments of interest to a Non -Resident Holder. If Brazilian tax authorities determine that payments made to a Non-Resident Holder under a Privileged Tax Regime are subject to the same rules applicable to payments made to Non-Resident Holders located in a Favorable Tax Jurisdiction, the withholding income tax applicable to such payments could be assessed at a rate up to 25%.

We recommend prospective investors consult their own tax advisors from time to time to verify any possible tax consequences arising of Normative Ruling No. 1,037, as amended, and Law No. 11,727.

Other Brazilian Tax Considerations

Pursuant to Decree No. 6,306, of December 14, 2007, as amended, conversions of foreign currency into Brazilian currency or vice versa are subject to the tax on foreign exchange transactions ("IOF/Exchange"), including foreign exchange transactions in connection with payments made by a Guarantor under the guarantee to Non-Resident Holders. Currently, the IOF/Exchange rate is 0.38% for most foreign exchange transactions, including foreign exchange transactions in connection with payments under the guarantee by a Guarantor to Non-Resident Holders.

Despite the above, in any case, the Brazilian Government is allowed to reduce the IOF/Exchange rate at any time down to 0% or increase the IOF/Exchange rate at any time up to 25%, but only with respect to future foreign exchange transactions.

In addition, in the event payments by Guarantors made under the guarantee are qualified as credit transactions between the Brazilian party and the Issuer, Brazilian tax authorities could impose the Tax on Loan Transactions, or IOF-Loan, at a daily rate of 0.0041% likely limited to 365 days, added by a one-time 0.38% rate, summing up to approximately 1.88%.

Stamp, Transfer or Similar Taxes

Generally, there are no stamp, transfer or other similar taxes in Brazil applicable to the transfer, assignment or sale of the notes outside Brazil, nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the notes, except for gift and inheritance taxes imposed in some states of Brazil on gifts and bequests by a Non-Resident Holder to individuals or entities domiciled or residing within such Brazilian states.

THE ABOVE DESCRIPTION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL BRAZILIAN TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

Certain United States Federal Income Tax Considerations

The following is a general discussion based upon present law of certain U.S. federal income tax considerations for prospective purchasers of the notes. The discussion addresses only persons that purchase notes in the original placement at their original price, hold the notes as capital assets, and, in the case of U.S. Holders (as defined below), use the U.S. dollar as

their functional currency. The discussion does not consider the circumstances of particular purchasers, some of which (such as financial institutions, insurance companies, regulated investment companies, tax exempt organizations, dealers, traders who elect to mark their investment to market, persons that include income on an "applicable financial statement" subject to section 451(b) of the Code and persons holding the notes as part of a hedge, straddle, conversion, constructive sale or integrated transaction) are subject to special tax regimes. The discussion does not address any U.S. state, local or foreign taxes, the Medicare tax on net investment income or the U.S. federal alternative minimum tax. Prospective investors should note that no rulings have been, or are expected to be, sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS or a court will not take contrary positions.

EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE LAWS OF THE UNITED STATES, BRAZIL, LUXEMBOURG AND ANY OTHER JURISDICTION WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.

For purposes of this discussion, "U.S. Holder" means a beneficial owner of a note that for U.S. federal income tax purposes is

- a citizen or individual resident of the United States,
- a corporation organized in or under the laws of the United States or any political subdivision thereof,
- a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court or that has validly elected to be treated as a U.S. person, or
- an estate the income of which is subject to U.S. federal income taxation regardless of its source.

The treatment of partners in a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) that owns notes may depend on the status of such partners and the status and activities of the partnership. Partnerships (or other entities treated as partnerships for U.S. federal income tax purposes) holding notes and partners in such partnerships should consult their own tax advisors about the consequences of an investment in the notes.

Qualified Reopening of Initial Notes

We expect that the notes offered hereby will be issued in a "qualified reopening" of the initial notes for U.S. federal income tax purposes. Accordingly, the notes offered hereby will have the same issue date and issue price as the initial notes. Because the initial notes were not issued with original issue discount for U.S. federal income tax purposes, the notes offered hereby also will not be treated as having been issued with original issue discount. The remainder of this discussion assumes that the notes offered hereby will be issued in a "qualified reopening" of the initial notes for U.S. federal income tax purposes.

Potential Contingent Payment Debt Instrument Treatment

In certain circumstances the Issuer may be required to make payments on a note that would change the yield of the note. See "Description of Notes—Repurchase of Notes upon a Change of Control" and "—Redemption—Optional Redemption." This obligation may implicate the provisions of Treasury regulations relating to contingent payment debt instruments ("CPDIs"). According to the applicable Treasury regulations, certain contingencies will not cause a debt instrument to be treated as a CPDI if such contingencies, as of the date of issuance, are "remote or incidental" or certain other circumstances apply. The Issuer intends to take the position that the notes are not CPDIs. This determination, however, is not binding on the IRS and if the IRS were to challenge this determination, a holder may be required to accrue income on the notes that such holder owns in excess of stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of such notes before the resolution of the contingency. In the event that such contingency were to occur, it would affect the amount and timing of the income that a U.S. Holder recognizes. U.S. Holders are urged to consult their own tax advisors regarding the potential application to the notes of the CPDI rules and the consequences thereof. The remainder of this discussion assumes that the notes will not be treated as CPDIs.

Interest on the Notes

Stated interest paid to a U.S. Holder, including the amount of any tax withheld from payments of stated interest, will be includible in such U.S. Holder's gross income as ordinary interest income at the time stated interest and additional amounts are received or accrued in accordance with such U.S. Holder's regular method of tax accounting for U.S. federal income tax purposes. If we are required to pay additional amounts with respect to interest paid on the notes, such additional amounts (including any tax withheld) should be treated as ordinary interest income as described in the foregoing sentence.

Interest on the notes generally will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute "passive category" income for most U.S. Holders. Subject to generally applicable restrictions and conditions, including a minimum holding period requirement, a U.S. Holder generally will be entitled to a foreign tax credit in respect of any foreign income taxes withheld on interest payments on the notes. Alternatively, the U.S. Holder may be able to deduct such foreign income taxes in computing taxable income for U.S. federal income tax purposes, provided that the U.S. Holder does not elect to claim a foreign tax credit with respect to any foreign income taxes paid or accrued during the taxable year. Any Brazilian IOF/Exchange tax generally may not be treated as a creditable foreign income tax for U.S. federal income tax purposes, although a U.S. Holder may be entitled to deduct such taxes subject to applicable limitations under the Code. You should consult your tax advisors regarding the U.S. federal income tax consequences of these taxes. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit or a deduction for foreign taxes paid under their particular circumstances.

Pre-Issuance Accrued Interest

A portion of the purchase price paid for a note will be attributable to stated interest accrued prior to the issuance of the note, or pre-issuance accrued interest. To the extent required to take a position for U.S. federal income tax purposes, we intend to treat the portion of the first stated interest payment attributable to pre-issuance accrued interest as a nontaxable return of a portion of the purchase price of a note (that will be excluded from a U.S. Holder's initial tax basis in the note) rather than as interest income. U.S. Holders should consult their own tax advisors regarding the tax treatment of pre-issuance accrued interest.

Amortizable Bond Premium

A U.S. Holder that purchases a note for an amount in excess of its stated principal amount (excluding any amount attributable to pre-issuance accrued interest, as described above), will be considered to have acquired the note with "amortizable bond premium" in the amount of such excess. A U.S. Holder may elect to amortize this bond premium, using a constant-yield method, over the remaining term of the note. A U.S. Holder generally may use the amortizable bond premium allocable to an accrual period to offset stated interest otherwise required to be included in income with respect to the note in that accrual period. However, because the notes may be redeemed by us prior to maturity at a premium, special rules apply that may change the amount or timing of amortizable bond premium that a U.S. Holder may amortize with respect to the notes. A U.S. Holder who elects to amortize bond premium must reduce its tax basis in the notes by the amount of bond premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations held or acquired in or after the first taxable year to which the election applies and may be revoked only with the consent of the IRS.

Sale or Other Taxable Disposition of the Notes

Upon the sale or other taxable disposition (including redemption) of a note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale or other taxable disposition (other than accrued but unpaid interest, which will be taxable as interest) and the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will be equal to the amount that the U.S. Holder paid for the note excluding any amount attributable to pre-issuance accrued interest) and reduced by any amortizable bond premium previously amortized. Any such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the note has been held for more than one year at the time of its sale or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

If Brazilian income tax is withheld on the sale or other taxable disposition of the notes, the amount realized by a U.S. Holder will include the gross amount of the proceeds of that sale or other taxable disposition before deduction of the Brazilian income tax. Capital gain or loss, if any, realized by a U.S. Holder on the sale or other taxable disposition of the notes generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, in the case of a gain from the disposition of a note that is subject to Brazilian income tax, the U.S. Holder may not be able to benefit from the

foreign tax credit for that Brazilian income tax unless the U.S. Holder can apply the credit against U.S. federal income tax payable on other income from foreign sources. Alternatively, the U.S. Holder may take a deduction for the Brazilian income tax if it does not elect to claim a foreign tax credit with respect to any foreign income taxes paid or accrued during the taxable year.

Substitution of the Issuer

The Issuer may, subject to certain conditions, be replaced and substituted by GLAI or one of GLAI's wholly-owned subsidiaries as principal debtor in respect of the notes (see "Description of Notes—Substitution of the Issuer"), which may be treated for U.S. federal income tax purposes as a deemed exchange of the notes for new notes and result in certain adverse tax consequences to U.S. Holders. The Issuer and the Substituted Debtor 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 Notes—Substitution of the 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 Issuer.

U.S. Backup Withholding and Information Reporting

Information reporting generally will apply to payments of principal of, and interest on, notes (including additional amounts), and to proceeds from the sale, exchange or other taxable disposition (including redemption) of notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding may be required on reportable payments if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, information reporting and backup withholding requirements. Backup withholding is not an additional tax. A holder of notes generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

"Specified Foreign Financial Asset" Reporting

U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 (and in some circumstances, a higher threshold), may be required to file an information statement with respect to such assets with their U.S. federal income tax returns, currently on IRS Form 8938. The notes generally are expected to constitute "specified foreign financial assets" unless they are held in accounts maintained by financial institutions. U.S. Holders are urged to consult their tax advisors regarding the application of this legislation to their ownership of the notes.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular situations.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership and disposition of the notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular situations.

LUXEMBOURG LAW CONSIDERATIONS

The Issuer is organized under the laws of Luxembourg. Insolvency proceedings with respect to the Issuer could be required to proceed under the laws of the jurisdiction in which its "center of main interests," as defined in Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "Recast EU Insolvency Regulation"), is situated at the time insolvency proceedings are commenced. Although there is a rebuttable presumption that the "center of main interests" or "COMI" will be in the jurisdiction where its registered office is situated (i.e., Luxembourg), this presumption is not conclusive. In particular, one of the main changes introduced by the Recast (EU) Insolvency Regulation which entered into application in EU Member States (except Denmark) on 26 June 2017 consists of increased scrutiny in situations where there has been a recent COMI shift. Where a company's COMI has shifted in the three months preceding the request for the opening of insolvency proceedings, the rebuttable presumption that its COMI is at the place of its registered office will no longer apply. Also, the opening of secondary proceedings in another EU Member State will be possible, not only if the debtor has an establishment in such EU Member State at the time of the opening of main insolvency proceedings, but also if the debtor had an establishment in such EU Member State in the three-month period prior to the request of opening of main insolvency proceedings. Therefore insolvency proceedings with respect to the Issuer may proceed under, and be governed by, Luxembourg insolvency laws or potentially by the insolvency laws of another jurisdiction if the center of main interests of the Issuer is determined to be in such other jurisdiction at the relevant time. The insolvency laws of such jurisdictions may not be as favorable to your interests as those of the United States or another jurisdiction with which you may be familiar.

If insolvency proceedings affecting the Issuer would be governed by Luxembourg insolvency laws, Luxembourg insolvency proceedings could have a material adverse effect on the Issuer's business and assets and the Issuer's respective obligations under the notes. Under Luxembourg insolvency laws, your ability to receive payment on the notes may be more limited than under other bankruptcy laws. The following types of proceedings, together referred to as insolvency proceedings, may be opened against an entity having its center of main interests or an establishment within the meaning of the Recast EU Insolvency Regulation in Luxembourg, in the latter case assuming that the center of main interests is located in a jurisdiction where the Recast EU Insolvency Regulation applies, or its central administration (*administration centrale*) is in Luxembourg (within the meaning of the Luxembourg Companies Act, as amended). (i) Bankruptcy (*faillite*) proceedings, the opening of which may be requested by the Issuer or by any of its creditors. Following such a request, a competent Luxembourg court may open bankruptcy proceedings if the Issuer (a) is unable to pay its debts as they fall due (*cessation de paiements*); and (b) has lost its commercial creditworthiness (*ébranlement de credit*). The main effect of these proceedings is the suspension of all measures of enforcement against the company, except, subject to certain limited exceptions, for enforcement by secured creditors. (ii) Controlled management proceedings (*gestion contrôlée*), the opening of which may only be requested by the Issuer and not by its creditors. A reorganization order in this context requires the prior approval by more than 50% in number of the creditors representing more than 50% of the Issuer's liabilities in order to take effect. (iii) Voluntary composition with creditors (*concordat préventif de faillite*), upon request only by the Issuer, subject to obtaining the consent of the majority of its creditors. The court's decision to admit the Issuer to a composition with participating creditors triggers a provisional stay on enforcement of claims by participating creditors while other creditors may pursue their claims individually. In addition, your ability to receive payment on the notes may be affected by a decision of a court to grant a suspension of payments (*sursis de paiement*) or to put the Issuer into judicial liquidation (*liquidation judiciaire*). Generally, during the insolvency proceedings, all enforcement measures by general secured and unsecured creditors against the Issuer are stayed, while certain secured creditors (pledgees or mortgagees) retain the ability to settle separately while the debtor is in bankruptcy. Liabilities of the Issuer in respect of the notes will, in the event of a liquidation of such Issuer following bankruptcy or judicial winding-up proceedings, rank junior to the cost of such proceedings, including debt incurred for the purpose of such bankruptcy or judicial winding-up, and those debts of the Issuer that are entitled to priority under Luxembourg law. Preferential rights arising by operation of law under Luxembourg law include (i) certain amounts owed to the Luxembourg Revenue; (ii) value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise; (iii) social security contributions; and (iv) remuneration owed to employees. Transactions entered into or payments made by the Issuer during the hardening period (*période suspecte*), which is a maximum of six months and ten days, preceding the opening of insolvency proceedings, in particular the granting of security for antecedent debt or with inadequate consideration, shall be declared null and void. Further, if an adequate payment in relation to a due debt was made during the hardening period to the detriment of the general body of creditors, or if the party receiving such payment knew that the Issuer had ceased payments when such payment occurred, such preferential transactions may be invalidated. Generally, if the insolvency official demonstrates that the Issuer has given a preference to any person by defrauding the rights of creditors generally, a competent insolvency official, acting on behalf of the creditors, has the power to challenge such preferential transaction without limitation of time. In principle, a bankruptcy order rendered by a Luxembourg court does not result in an automatic termination of contracts except for personal (*intuitu personae*) contracts, that is, contracts for which the identity of the Issuer

or its solvency were crucial. However, the insolvency official may choose to terminate certain onerous contracts. As of the date of adjudication of bankruptcy, no interest on any unsecured claim will accrue in relation to the bankruptcy estate. Insolvency proceedings may consequently have a material adverse effect on the Issuer's business and assets and the Issuer's respective obligations under the notes (as Issuer).

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase or holding of the notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, or ERISA, plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any other federal, state, local, non U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, Similar Laws), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a Plan).

Section 406 of ERISA and Section 4975 of the Code prohibit Plans subject to Title I of ERISA or Section 4975 of the Code (collectively, ERISA Plans) from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code, or Parties in Interest, with respect to the ERISA Plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain Plans, including those that are, or whose assets constitute the assets of, governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA), or Non-ERISA Arrangements, are not subject to the fiduciary responsibility or prohibited transaction requirements of Title I of ERISA or Section 4975 of the Code but may be subject to Similar Laws.

The acquisition of the notes by an ERISA Plan with respect to which we, a guarantor, an initial purchaser or certain of our or their affiliates (each, a Relevant Entity) is or becomes a Party in Interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those notes are acquired pursuant to and in accordance with an applicable exemption. The U.S. Department of Labor has issued five prohibited transaction class exemptions, or PTCEs, that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the notes. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities and lending transactions, *provided* that neither the issuer of the securities nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any ERISA Plan involved in the transaction, and *provided further* that the ERISA Plan pays no more than "adequate consideration" in connection with the transaction (the "service provider exemption"). These exemptions do not, however, provide relief from the self-dealing prohibitions under ERISA and the Code. It should also be noted that even if the conditions specified in one or more of these exemptions are met, the scope of relief provided by these exemptions may not necessarily cover all acts that might be construed as prohibited transactions. Therefore, the fiduciary of an ERISA Plan that is considering acquiring and/or holding the notes in reliance on any of these, or any other, prohibited transaction exemption should carefully review the exemption and consult with its counsel to confirm that it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, each purchaser or holder of notes or any interest therein will be deemed to have represented by its purchase and holding of the notes that either (1) it is not a Plan and is not purchasing or holding the notes on behalf of or with the assets of any Plan or (2)(A) the purchase and holding of the notes or any interest therein by such purchaser or holder will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws and (B) if such purchaser or holder is using assets of any ERISA Plan to purchase or hold the notes (i) none of the Relevant Entities, nor any of their affiliates, has provided any investment advice on which it, or any fiduciary or other person investing the assets of the ERISA Plan, or a Plan Fiduciary, has relied in connection with its decision to invest in notes, and they are not otherwise acting as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the ERISA Plan or the Plan Fiduciary in connection with the ERISA Plan's acquisition of notes, and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing notes on behalf of or with the assets of any Plan or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption or any other applicable exemption, or the potential consequences of any purchase or holding under Similar Laws, as applicable. If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the notes, you should consult your legal counsel.

PLAN OF DISTRIBUTION

BofA Securities, Inc., Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, Evercore Group L.L.C., Credit Agricole Securities (USA) Inc., BCP Securities, LLC, Banco BTG Pactual S.A.— Cayman Branch, Santander Investment Securities Inc., UBS Securities LLC, Banco Bradesco BBI S.A. and Banco Safra S.A. (acting through its Cayman Islands Branch) are acting as initial purchasers. Subject to the terms and conditions set forth in a purchase agreement dated May 6, 2021 between the Issuer, the Guarantors and the initial purchasers, the Issuer has agreed to sell to the initial purchasers, and the initial purchasers have severally and not jointly agreed to purchase from the Issuer, the respective principal amounts of notes that appears opposite their names below:

Initial Purchasers	Principal Amount of Notes (in US$)
BofA Securities, Inc.	49,740,000
Deutsche Bank Securities Inc.	35,010,000
Morgan Stanley & Co. LLC.	42,780,000
Evercore Group L.L.C.	35,010,000
Credit Agricole Securities (USA) Inc.	21,000,000
BCP Securities, LLC.	21,000,000
Banco BTG Pactual S.A.— Cayman Branch	22,170,000
Santander Investment Securities Inc.	19,140,000
UBS Securities LLC	20,010,000
Banco Bradesco BBI S.A.	21,630,000
Banco Safra S.A. (acting through its Cayman Islands Branch)	12,510,000
Total	**300,000,000**

Banco BTG Pactual S.A.— Cayman Branch is not a broker-dealer registered with the SEC, and therefore may not make sales of any notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent Banco BTG Pactual S.A.—Cayman Branch intends to effect sales of the notes in the United States, it will do so only through BTG Pactual US Capital, LLC or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law.

Bradesco Securities Inc. will act as agent of Banco Bradesco BBI S.A. for sales of the notes in the United States of America. Banco Bradesco BBI S.A. is not a broker-dealer registered with the SEC, and therefore may not make sales of any notes in the United States to U.S. persons. Banco Bradesco BBI S.A. and Bradesco Securities Inc. are affiliates of Banco Bradesco S.A.

Banco Safra S.A., acting through its Cayman Islands Branch is not a broker-dealer registered with the SEC, and therefore may not make sales of any notes in the United States to U.S. persons. Its representative broker-dealer is Safra Securities LLC.

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed to purchase all of the notes sold under the purchase agreement if any of these notes are purchased.

Each of the Issuer and the Guarantors have agreed to indemnify the initial purchasers and their respective controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The initial purchasers and/or their affiliates may enter into derivative and/or structured transactions with clients, at their request, in connection with the notes and the initial purchasers and/or their affiliates may also purchase some of the notes to hedge their risk exposure in connection with such transactions. Also, the initial purchasers and/or their affiliates may acquire the notes for their own propriety account. Such acquisitions may have an effect on demand and the price of the offering.

We expect to deliver the notes against payment for the notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the third business day following the date of the pricing of the notes. Because trades in the secondary market generally settle in two business days, purchasers who wish to trade notes on the date

of pricing may be required, by virtue of the fact that the notes initially are expected to settle on May 11, 2021, to specify alternative settlement arrangements to prevent a failed settlement.

Commissions and Discounts

The initial purchasers have advised us that they propose initially to offer the notes at the offering price set forth on the cover page of this offering memorandum. After the initial offering, the offering price or any other term of the offering may be changed.

Notes Are Not Being Registered

The notes and the related guarantees have not been registered under the Securities Act or any state securities laws. The initial purchasers propose to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The initial purchasers will not offer or sell the notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser will be deemed to have made acknowledgments, representations and agreements as described under “Transfer Restrictions.”

Additional Issue of Notes

The initial notes are listed, and the issuer will apply for permission to list the notes offered hereby, on the main board of the SGX-ST. We cannot guarantee the listing will be obtained. We have been advised by the initial purchasers that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not continue, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

No Sales of Similar Securities

The Issuer and the Guarantors have agreed that for a period of 30 days after the date of this offering memorandum, we will not without first obtaining the prior written consent of the initial purchasers, directly or indirectly, sell, offer, announce the offering of, or file any registration statement under the Securities Act in respect thereof, any U.S. dollar debt securities, except for the notes sold to the initial purchasers pursuant to the purchase agreement.

Stabilizing and Syndicate Covering Transactions

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may have the effect of preventing or retarding a decline in the market price of the notes or cause the price of the notes to be higher than it would otherwise be in the absence of those transactions. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

Other Relationships

Some of the initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the initial purchasers and their 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 ours or our affiliates. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their 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.

Sales Outside the United States

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in effect in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in effect in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

Selling Restrictions

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in effect in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in effect in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

European Economic Area

The notes (and the related guarantee) 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 EEA. For these purposes:

(a) the expression "retail investor" means a person who is one (or more) of:

(i) a retail client as defined in point (11) of Article 4(1) MiFID II; or

(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 Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (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 notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes.

Consequently, no key information document required by the PRIIPs Regulation for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and, therefore, offering or selling the 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 the 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 notes. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation and has not been approved by a competent authority within the meaning of the Prospectus Regulation.

Each person in a Member State of the EEA to whom any offer of notes is made or who receives any communication in respect of, or who initially acquires any notes under, the offers contemplated in this offering memorandum, or to whom the notes are otherwise made available will be deemed to have represented, warranted and agreed to and with the initial purchasers and us that it and any person on whose behalf it acquires notes as a financial intermediary, as that term is defined

in Article 3(2) of the Prospectus Regulation, is (i) a "qualified investor" within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Regulation and (ii) not a "retail investor" as defined above.

United Kingdom

This offering memorandum is not a prospectus for purposes of section 85 of the Financial Services and Markets Act 2000 ("FSMA") and has been prepared on the basis that any offer of notes in the United Kingdom will only be made pursuant to an exemption under section 86 of FSMA from the requirement to publish a prospectus for offers of securities.

The notes (and the related guarantee) 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) the expression "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"); or

(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 the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA ("UK 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 notes to be offered so as to enable an investor to decide to purchase or subscribe for the 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 ("U.K. PRIIPs Regulation"), for offering or selling the notes or otherwise making them available to retail investors in the U.K. has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

This offering memorandum is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth entities, and other persons to whom it may lawfully be communicated. falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this offering memorandum or any of its contents.

Luxembourg

This offering memorandum has not been approved by and will not be submitted for approval to the *Commission de Surveillance du Secteur Financier* for the purposes of public offering or sale, in Luxembourg, of the notes or admission to the Official List of the Luxembourg Stock Exchange, or the LxSE, and trading on the LxSE's regulated market of the notes. Accordingly, the notes may not be offered or sold to the public in Luxembourg, directly or indirectly, or listed or traded on the regulated market of the LxSE, and neither this offering memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg except in circumstances which do not constitute a public offer of securities to the public, subject to prospectus requirements, in accordance with the Prospectus Regulation or applicable Luxembourg law and in particular the Luxembourg act dated July 16, 2019 on prospectuses for securities.

Brazil

The issuance of the notes (and the related guarantee) has not been nor will be registered with the CVM. The notes (and the related guarantee) have not been and will not be issued nor publicly placed, distributed, offered or negotiated in the Brazilian capital markets. Documents relating to the offering of the notes (and the related guarantee), as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the notes is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the notes in Brazil.

Chile

The offer of the notes began on the date set forth on the cover page of this offering memorandum and is subject to General Rule No. 336 of the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros de Chile*), or the SVS. Neither the issuer nor the notes are registered in the Securities Registry (*Registro de Valores*) or the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS or subject to the control and supervision of the SVS. This offering memorandum and other offering materials relating to the offer of the notes do not constitute a public offer of, or an invitation to subscribe for or purchase, the notes in the Republic of Chile, other than to individually identified purchasers pursuant to a private offering within the meaning of Article 4 of the Chilean Securities Market Act (*Ley de Mercado de Valores*) (an offer that is not "addressed to the public at large or to a certain sector or specific group of the public"). *La oferta de los valores comenzó en la fecha en la página de cubierta de este documento y está acogida a la NCG 336 de fecha 27 de junio de 2012 de la SVS. Ni el emisor ni los valores están inscritos en el Registro de Valores o el Registro de Valores Extranjeros de la SVS, o sujetos al control y la supervisión de la SVS. El presente prospecto y los otros materiales relativos a la oferta de los valores no constituye una oferta pública de, ni una invitación a suscribir o comprar, tales valores en la República de Chile, salvo a compradores individualmente identificados conforme a una oferta privada en los términos del artículo 4 de la Ley de Mercado de Valores (una oferta que no está "dirigida al público en general o a un cierto sector o grupo específico de éste").*

Peru

The notes and the information contained in this offering memorandum have not been and will not be registered with the Peruvian Securities Market Regulator (*Superintendencia del Mercado de Valores*). Accordingly, the notes have not been offered or sold, and will not be offered or sold, in Peru, except that the notes may be offered in circumstances which do not constitute a public offering under Peruvian laws and regulations.

The notes will not be registered in the Capital Markets Public Register (*Registro Público del Mercado de Valores*). As a result, the offering of the notes is limited to the restrictions set forth in the Peruvian Securities Market Law. Holders of the notes are not permitted to transfer the notes in Peru unless said transfer involves an institutional investor or the notes are previously registered in the Capital Markets Public Register.

Canada

The 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 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 National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. As such, each initial purchaser has represented, warranted and agreed, and each investor should note, as the case may be, that the notes may not be offered or sold, or made the subject of an invitation for subscription or purchase, nor may the offering memorandum or any of the documents or materials in connection with the offer or sale or invitation for subscription of any notes be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA (as defined below), (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 or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is 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, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired the notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA); (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA; (3) where no consideration is or will be given for the transfer; (4) where the transfer is by operation of law; (5) as specified in Section 276(7) of the SFA; or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the notes under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA); (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets); (3) where no consideration is or will be given for the transfer; (4) where the transfer is by operation of law; (5) as specified in Section 276(7) of the SFA; or (6) as specified in Regulation 32.

Solely for the purposes of its obligations pursuant to sections 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309(A) of the SFA) that the notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) 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).

Any reference to the "SFA" is a reference to the Securities and Futures Act, Chapter 289 of Singapore and any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each the Initial Purchasers, on behalf of itself and each of its affiliates that participates in the initial distribution of the Notes has represented and agreed with the Issuer that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), 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.

Hong Kong

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) or an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the 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 laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

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.

TRANSFER RESTRICTIONS

The notes (and the related guarantees) have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered and sold only to (i) "qualified institutional buyers," as defined in Rule 144A under the Securities Act, ("QIBs") in compliance with Rule 144A; and (ii) outside the United States to persons other than U.S. persons ("non U.S. investors"), which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for foreign beneficial owners (other than an estate or trust), in reliance upon Regulation S under the Securities Act.

By its purchase of notes, each purchaser of notes will be deemed to:

(1) represent that it is purchasing the 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) a QIB, and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non U.S. investor that is outside the United States (or a non U.S. investor that is a dealer or other fiduciary as referred to above);

(2) acknowledge that the notes (and the guarantees) have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(3) if it is a person other than a non U.S. investor outside the United States, agree that if it should resell or otherwise transfer the notes (and the guarantees), it will do so only (a) to us or any of our subsidiaries, (b) to a QIB in compliance with Rule 144A, (c) outside the United States in compliance with Rule 904 under the Securities Act, (d) pursuant to the exemption from registration or (e) pursuant to an effective registration statement under the Securities Act;

(4) agree that it will deliver to each person to whom it transfers notes notice of any restriction on transfer of such notes;

(5) if it is a non U.S. investor outside the United States, (a) understand that the notes will be represented by the Regulation S global note and that transfers are restricted as described under "Form of Notes" and (b) represent and agree that it will not sell short or otherwise sell, transfer or dispose of the economic risk of the notes into the United States or to a U.S. person for 40 days;

(6) understand that until registered under the Securities Act, the notes (other than those issued to a non U.S. investor or in substitution or exchange therefor) will bear a legend to the following effect unless otherwise agreed by us and the holder thereof:

In the case of a 144A global note:

THIS NOTE (AND RELATED NOTE GUARANTEES) HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED 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) AND (2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE 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 THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (C) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (D) 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, THE COMPANY 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.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE WITH CONSENT OF THE COMPANY AS SPECIFIED IN THE INDENTURE REFERRED TO HEREIN.

In the case of a Regulation S global note:

THIS NOTE (AND RELATED NOTE GUARANTEES) HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE AFTER 40 DAYS BEGINNING ON AND INCLUDING THE LATER OF (A) THE DATE ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) AND (B) THE ORIGINAL ISSUE DATE OF THIS NOTE.

(7) acknowledge that the Issuer, the Guarantors and the initial purchasers will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements, and agree that if any of the acknowledgements, representations or warranties deemed to have been made by it by its purchase of notes are no longer accurate, it shall promptly notify the Issuer, the Guarantors and the initial purchasers; if they are acquiring notes as a fiduciary or agent for one or more investor accounts, they represent that they have sole investment discretion with respect to each such account and they have full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and

(8) REPRESENT (A) EITHER (I) NO PORTION OF THE ASSETS USED BY SUCH PURCHASER OR HOLDER TO PURCHASE OR HOLD THE NOTES OR ANY INTEREST THEREIN CONSTITUTES ASSETS OF ANY (A) EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) PLAN, ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), OR PROVISIONS UNDER ANY OTHER FEDERAL, STATE, LOCAL, NON U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAWS"), OR (C) ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT (EACH SUCH PLAN, ACCOUNT, ARRANGEMENT AND ENTITY DESCRIBED IN CLAUSE (A), (B) AND (C) REFERRED TO AS A "PLAN") OR (II) THE ACQUISITION AND HOLDING OF THE NOTES OR ANY INTEREST THEREIN BY SUCH PURCHASER OR HOLDER WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAW AND (B) IF SUCH PURCHASER OR HOLDER IS USING ASSETS OF ANY PLAN SUBJECT TO ERISA OR SECTION 4975 OF THE CODE (AN "ERISA PLAN") TO ACQUIRE OR HOLD THE NOTES (I) NEITHER THE ISSUER, GUARANTOR, INITIAL PURCHASER OR THEIR RESPECTIVE AFFILIATES (EACH, A "RELEVANT ENTITY") HAS ACTED AS THE ERISA PLAN'S FIDUCIARY, OR HAS BEEN RELIED UPON FOR ANY ADVICE, WITH RESPECT TO THE ERISA PLAN'S DECISION TO ACQUIRE, HOLD, SELL, EXCHANGE OR PROVIDE ANY CONSENT WITH RESPECT TO THE NOTES AND NONE OF THE RELEVANT ENTITIES WILL AT ANY TIME BE RELIED ON AS THE ERISA PLAN'S FIDUCIARY WITH RESPECT TO ANY DECISION WITH RESPECT TO THE NOTES AND (II) THE DECISION TO INVEST IN THE NOTES HAS BEEN MADE AT THE RECOMMENDATION OR DIRECTION OF AN "INDEPENDENT FIDUCIARY" ("INDEPENDENT FIDUCIARY") WITHIN THE MEANING OF U.S. CODE OF FEDERAL REGULATIONS 29 C.F.R. SECTION 2510.3-21(C), AS AMENDED FROM TIME TO TIME (THE "FIDUCIARY RULE"), OTHER THAN THE RELEVANT PARTIES, WHO (A) IS INDEPENDENT OF THE RELEVANT PARTIES; (B) IS CAPABLE OF EVALUATING INVESTMENT RISKS INDEPENDENTLY, BOTH IN GENERAL AND WITH RESPECT TO PARTICULAR TRANSACTIONS AND INVESTMENT STRATEGIES (WITHIN THE MEANING OF THE FIDUCIARY RULE); (C) IS A FIDUCIARY (UNDER ERISA AND/OR SECTION 4975 OF THE CODE) WITH RESPECT TO THE ERISA PLAN'S INVESTMENT IN THE NOTES AND IS RESPONSIBLE FOR EXERCISING INDEPENDENT JUDGMENT IN EVALUATING THE INVESTMENT IN THE NOTES; (D) IS EITHER (I) A BANK AS DEFINED IN SECTION 202 OF THE U.S. INVESTMENT ADVISERS ACT OF 1940, AS AMENDED (THE "ADVISERS ACT"), OR SIMILAR INSTITUTION THAT IS REGULATED AND SUPERVISED AND SUBJECT TO PERIODIC EXAMINATION

BY A STATE OR FEDERAL AGENCY OF THE UNITED STATES; (II) AN INSURANCE CARRIER WHICH IS QUALIFIED UNDER THE LAWS OF MORE THAN ONE STATE OF THE UNITED STATES TO PERFORM THE SERVICES OF MANAGING, ACQUIRING OR DISPOSING OF ASSETS OF SUCH AN ERISA PLAN; (III) AN INVESTMENT ADVISER REGISTERED UNDER THE ADVISERS ACT OR, IF NOT REGISTERED AS AN INVESTMENT ADVISER UNDER THE ADVISERS ACT BY REASON OF PARAGRAPH (1) OF SECTION 203A OF THE ADVISERS ACT, IS REGISTERED AS AN INVESTMENT ADVISER UNDER THE LAWS OF THE STATE (REFERRED TO IN SUCH PARAGRAPH (1)) IN WHICH IT MAINTAINS ITS PRINCIPAL OFFICE AND PLACE OF BUSINESS; (IV) A BROKER DEALER REGISTERED UNDER THE EXCHANGE ACT; AND/OR (V) AN INDEPENDENT FIDUCIARY THAT HOLDS OR HAS UNDER MANAGEMENT OR CONTROL TOTAL ASSETS OF AT LEAST $50 MILLION; AND (E) IS AWARE OF AND ACKNOWLEDGES THAT (I) NONE OF THE RELEVANT ENTITIES ARE UNDERTAKING TO PROVIDE IMPARTIAL INVESTMENT ADVICE, OR TO GIVE ADVICE IN A FIDUCIARY CAPACITY, IN CONNECTION WITH THE ERISA PLAN'S INVESTMENT IN THE NOTES, AND (II) THE RELEVANT ENTITIES HAVE A FINANCIAL INTEREST IN THE ERISA PLAN'S INVESTMENT IN THE NOTES ON ACCOUNT OF THE FEES AND OTHER REMUNERATION THEY EXPECT TO RECEIVE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREUNDER PROSPECTIVE PURCHASERS MUST CAREFULLY CONSIDER THE RESTRICTIONS ON PURCHASE SET FORTH IN "TRANSFER RESTRICTIONS" AND "CERTAIN ERISA CONSIDERATIONS."

ENFORCEMENT OF CIVIL LIABILITIES

Service of Process and Enforcement of Civil Liabilities in Luxembourg

The Issuer is a *société anonyme* organized under the laws of Luxembourg. Certain or all of the Issuer's directors and executive officers are non-residents of the United States. In addition, all or a substantial portion of the assets of the Issuer and substantially all of the assets of its directors are located outside the United States. As a result, it may not be possible for you to serve process on these persons or the Issuer in the United States or to enforce judgments obtained in U.S. courts against them or the Issuer based on civil liability provisions of the securities laws of the United States. It may be possible for investors to effect service of process upon the Issuer within Luxembourg provided that The Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters of November 15, 1965 is complied with.

We have been advised by our Luxembourg counsel that the United States and Luxembourg are not currently bound by a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitral awards rendered in civil and commercial matters. According to our Luxembourg counsel, an enforceable judgment for the payment of monies rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. securities laws, would not directly be enforceable in Luxembourg. However, a party who received such favorable judgment in a U.S. court may initiate enforcement proceedings in Luxembourg (*exequatur*) by requesting enforcement of the U.S. judgment by the District Court (*Tribunal d'Arrondissement*) pursuant to Section 678 of the New Luxembourg Code of Civil Procedure (*Nouveau code de procédure civile*). The District Court will authorize the enforcement in Luxembourg of the U.S. judgment if it is satisfied that all of the following conditions are met:

- the U.S. court has applied the substantive law as designated by the Luxembourg conflict of laws rules (based on case law and legal doctrine, it is not certain that this condition would still be required for an *exequatur* to be granted by a Luxembourg court);
- the U.S. court has acted in accordance with its own procedural laws;
- the U.S. court order or judgment must not result from an evasion of Luxembourg law (*fraude à la loi*);
- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognized by Luxembourg private international and local law;
- the judgment is final and enforceable (*exécutoire*) in the jurisdiction where the decision has been rendered;
- the judgment was granted following proceedings where the defendant had the opportunity to appear, was granted the necessary time to prepare its case and, if it appeared, could present a defense; and
- the considerations of the foreign order as well as the judgment do not contravene international public policy as understood under the laws of Luxembourg or has been given in proceedings of a criminal or tax nature.

If an original action is brought in Luxembourg, a court of competent jurisdiction may refuse to apply the designated law if its application contravenes Luxembourg's international public policy and, if such action is brought on the basis of U.S. federal or state securities laws, may not have the requisite power to grant the remedies sought. In practice, Luxembourg courts now tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review.

Service of Process and Enforcement of Civil Liabilities in Brazil

GLAI and GLA are corporations organized under the laws of Brazil. Substantially all of their directors and officers reside in Brazil or elsewhere outside the United States. In addition, all or a substantial portion of their assets and substantially all of the assets of their directors and officers are likely located outside the United States. As a result, it may not be possible for investors to effect service of process upon these persons within the United States or other jurisdictions outside Brazil, which may be time-consuming, or to enforce against them judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the laws of such other jurisdictions.

In the terms and conditions of the notes, we will (i) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the notes and, for such purposes, irrevocably submit to the jurisdiction of such courts; and (ii) name an agent for service of process in the Borough of Manhattan, City of New York. See "Description of Notes."

We have been advised by Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados, Brazilian counsel to GLAI and GLA, that judgments of non-Brazilian courts for civil liabilities predicated upon the securities laws of countries other than Brazil, including U.S. securities laws, may be enforced in Brazil subject to certain requirements, as described below. A judgment against GLAI, GLA or any of their directors and officers obtained outside Brazil would be enforceable in Brazil against GLAI, GLA or any such person without retrial or reexamination of the merits, upon confirmation of that judgment by the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*). That confirmation, generally, will occur if:

- the foreign judgment is issued by a competent jurisdiction, court and/or authority, according to the law of the jurisdiction of origin;
- the foreign judgment is not rendered in an action upon which Brazilian courts have exclusive jurisdiction, pursuant to the provisions of Article 23 of the Brazilian Code of Civil Procedure (*Código de Processo Civil*) (Law No. 13,105/2015);
- proper service of process is made on the defending party(ies) and, when made in Brazil, such service of process must be made in accordance with Brazilian law, or after sufficient evidence of the defendant's absence has been given, as required under applicable law;
- where a Brazilian court has jurisdiction, there is no conflict between the foreign judgment and a previous domestic judgment involving the same parties, cause of action or claim brought in Brazil that has reached the status of *res judicata*;
- the foreign judgment has become final and is not subject to appeal (*res judicata*) and is legally allowed to be enforced, fulfilling all formalities required for its enforceability under the jurisdiction in which it was issued;
- the original or a certified copy of the foreign judgment is authenticated by a Brazilian consular office in the country where the foreign judgment is issued, except if it is apostilled by a competent authority of the state in which the decision was issued, according to the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents of 5 October 1961, and, in any event, is accompanied by a sworn translation into Portuguese in Brazil; and
- the foreign judgment is not contrary to Brazilian national sovereignty, public policy and/or human dignity.

The confirmation process may be time-consuming and may also give rise to difficulties in enforcing the foreign judgment in Brazil. Accordingly, we cannot assure you that confirmation would be obtained, that the confirmation process would be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the securities laws of countries other than Brazil, including U.S. securities laws. GLAI and GLA have also been advised that:

- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of GLAI and/or GLA and/or their directors and officers is limited by provisions of Brazilian bankruptcy, insolvency, moratorium, liquidation, judicial or extrajudicial reorganization and similar laws if those assets are located in Brazil; and
- civil lawsuits may be brought before Brazilian courts in connection with the notes based solely on U.S. federal securities laws and that, subject to applicable law, Brazilian courts may enforce such liabilities in such lawsuits against GLAI and/or GLA, provided that the provisions of the federal securities laws of the United States do not contravene Brazilian national sovereignty, public policy, good morals or public morality; however, under Brazilian law, Brazilian courts can assert jurisdiction when the defendant is domiciled in Brazil, the obligation has to be performed in Brazil or the subject matter under dispute originates in Brazil.

A plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of litigation in Brazil regarding the notes must provide a bond to guarantee the payment of court expenses and defendant's legal fees, if the plaintiff owns no real property in Brazil that may secure such payment, except for (i) lawsuits seeking to enforce titles and judgments; (ii) counterclaims; or (iii) when an international treaty or agreement to which Brazil is a party otherwise provides, as established under Article 83 *caput* and §§1, I, II and III of the Brazilian Code of Civil Procedure. The bond must be 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 to the enforcement of foreign judgments which have been confirmed by the Brazilian Superior Court of Justice.

GLAI and GLA have also been advised that, if the notes or the relevant indenture were to be declared void by a court applying the laws of the State of New York, a judgment obtained outside Brazil seeking to enforce GLAI's and GLA's Guarantees may not be confirmed by the Brazilian Superior Court of Justice.

INDEPENDENT APPRAISER

The references to Morten Beyer & Agnew and to its appraisal report, dated as of November 19, 2020, are included in this offering memorandum in reliance upon the authority of the firm as an expert with respect to the matters contained in its appraisal report. Morten Beyer & Agnew's address is 2010 Wilson Boulevard, Suite 1001, Arlington, Virginia 22201. Morten Beyer & Agnew is certified by the ISTAT.

VALIDITY OF THE NOTES

The validity of the notes offered and sold in this offering, together with the guarantees, will be passed upon for us by Milbank LLP, our U.S. counsel, and for the initial purchasers by Davis Polk & Wardwell LLP. Certain matters of Brazilian law relating to the notes and the guarantees will be passed upon for us by Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados, our Brazilian counsel, and for the initial purchasers by Cescon, Barrieu, Flesch & Barreto Advogados. Certain matters of Luxembourg law relating to the notes will be passed upon for us by NautaDutilh Avocats Luxembourg S.à r.l, our Luxembourg counsel.

INDEPENDENT AUDITORS

Our audited consolidated financial statements as of and for the years ended December 31, 2020 and 2018, incorporated by reference in this offering memorandum, have been audited by Ernst & Young Auditores Independentes S.S., independent auditors, as stated in their reports appearing therein.

The consolidated financial statements of GOL Linhas Aéreas Inteligentes S.A. as of December 31, 2019 and for the year ended December 31, 2019, incorporated in this offering memorandum by reference to the Annual Report on Form 20-F for the year ended December 31, 2020, as filed with the SEC on March 29, 2021, have been audited by KPMG Auditores Independentes, independent auditors, as stated in their report incorporated by reference herein.

With respect to our unaudited interim consolidated financial information for the three-month period ended March 31, 2021, incorporated by reference in this offering memorandum, Ernst & Young Auditores Independentes S.S. reported they have applied limited procedures in accordance with professional standards for a review of such information. Accordingly, the degree of reliance on such information should be restricted in light of the limited nature of the review procedures applied.

LISTING AND GENERAL INFORMATION

1. We expect that the delivery of the notes will be made to investors in book-entry form only through the facilities of DTC, and its direct and indirect participants, including Clearstream and Euroclear, against payment on May 11, 2021. The CUSIP and ISIN numbers for the notes are set forth below. During the period subject to certain U.S. selling restrictions, the notes offered pursuant to Regulation S will carry temporary CUSIP and ISIN numbers.

	Restricted Global Note	Regulation S Global Note	Temporary Regulation S Global Note
CUSIP	36254V AC2	L4441R AC0	L4441R AD8
ISIN..................................	US36254VAC28	USL4441RAC09	USL4441RAD81

2. Copies of our latest audited consolidated financial statements, copies of the Issuer's articles of association and the Guarantor's *estatuto social* (by-laws) and the deed of incorporation and articles of association, as applicable, as well as the indenture (including forms of notes), will be available, free of charge, at the offices of the trustee (the Issuer's articles of incorporation may also be inspected at the Luxembourg Trade and Companies' Register of Commerce and Companies during normal business hours).

3. Except as disclosed in this offering memorandum, there has been no material adverse change in our financial position since December 31, 2020, the date of our latest audited financial statements incorporated by reference herein.

4. The initial notes are listed, and the issuer will apply for permission to list the notes offered hereby, on the main board of the SGX-ST.

5. Upon any issuance of individual definitive notes, the Issuer shall appoint and maintain a paying agent in Singapore where the notes may be presented or surrendered for payment or redemption, in the event that the global notes are exchanged for individual definitive notes. In addition, in the event that the global notes are exchanged for individual definitive notes, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the individual definitive notes, including details of the paying agent in Singapore.

6. The issuance of the notes was authorized by the Issuer's board of directors on May 6, 2021. The issuance of the guarantee by us and by GLA was authorized by our and GLA's respective boards of directors on May 6, 2021.

7. We are not involved in any legal, administrative or arbitration proceeding that is material in the context of the issuance of the notes. We are not aware of any material legal, administrative or arbitration proceeding that is pending or threatened against us except as disclosed in this offering memorandum.

ANNEX A – INTELLECTUAL PROPERTY APPRAISAL

mba AVIATION

Valuation of:

Gol Linhas Aéreas Inteligentes S.A. Brand Intellectual Property

Client:

Gol Linhas Aéreas Inteligentes S.A.

Date:

April 29, 2021

HQ – Washington D.C.
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I. VALUATION SUMMARY

VALUATION SUMMARY	
SUBJECT ENTITY	Gol Linhas Aéreas Inteligentes S.A.
SUBJECT ASSET	Gol Linhas Aéreas Inteligentes S.A.'s Brand Intellectual Property
NUMBER OF EMPLOYEES	Approximately 15,000
PURPOSE OF VALUATION	Consideration for Financing Agreement
STANDARD OF VALUE	Fair Market Value
PREMISE OF VALUE	Going Concern
VALUATION DATE	April 29, 2021
VALUATION APPROACHES	Income Approach
VALUATION METHODS	The Relief from Royalty Method
REPORT TYPE	Summary Report
CONCLUSION OF VALUE	R$5,450,882,000

II. INTRODUCTION

Subject & Purpose of the Valuation Engagement

mba Aviation ("mba") was engaged by Gol Linhas Aéreas Inteligentes S.A. ("GOL," the "Client," or the "Subject Entity") to estimate the value of its Brand Intellectual Property ("Subject Asset") as of April 2021 (the "Valuation Date").

It is understood by mba that the Conclusion of Value will be used by the Client in connection with a financing agreement. mba understands that this report may be provided to agents, lenders, and other parties in connection with such financing agreement. 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, and other parties in connection with such financing agreement without the express knowledge and written consent of mba.

Relevant Dates

mba was engaged to value the Subject Assets 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. However, events occurring after the Valuation Date but before the date of this report (i.e., subsequent events) were taken into account to the extent that they were indicative of conditions that were known or knowable as of 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

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, computer software)
2. Innovative (e.g., patents, industrial designs, trade secrets)

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 United States (U.S.) economy; and
- Analysis and estimation of the value of the Subject Assets 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 as of December 2020 and audited financial statements for the years ended December 31, 2015, through 2020;
- Forecasted financial statements prepared by the Subject Entity;
- Subject Entity Corporate Presentation;
- Subject Entity website;
- 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.

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

GOL was founded in 2000 and initiated operations as Brazil's first low-cost carrier in 2001. GOL's unique business model permits a flexible and versatile operation, avoiding over and under capacity as the Brazilian market evolves. In addition to a standardized 737 fleet type, its focus on business traffic in key markets in Brazil, short-term sublease agreements, tailored crew scheduling and a flexible hub-based network have ensured the versatility of its business model and drives its operating margins. GOL maintains the lowest operating costs (on a CASK) basis of any Brazilian airline in each year since they began operating.

GOL is among the five largest low-cost carriers globally based on annual revenue, it has achieved an aircraft utilization of 12.3 block hours per day, one of the highest in the world. During the peak of the pandemic, in April and May 2020, with a largely reduced fleet and flight network, GOL reported load factors above 75%. In 2020, although total demand decreased 51.9%, as compared to 2019, GOL was the only airline in Brazil that kept its average load factor at 80.0%, due to its fleet size flexibility. The airline operates the most flights at Brazil's busiest airports, boasts the leading Brazilian airline loyalty program, with 18.0 million members and is the country's second largest cargo airline with a 26.9% market share as measured by ATK.

On March 24, 2021, shareholders of GOL and Smiles approved the corporate reorganization proposal that comprises a merger of shares. The reorganization will allow both the airline and loyalty program business to become more competitive by reducing operating, administrative and financial costs and expenses and strengthening the capital structure.

As of December 31, 2020, GOL operated a single fleet of 127 Boeing 737 Next Generation aircraft and seven 737-8 MAX to offer more than 750 daily flights across 100 destinations in Brazil, South America, the Caribbean and the U.S.

Strategy

The Subject Entity's goal is to be *The First Airline for Everyone* in Brazil, by offering the most attractive option for air travel with a compelling combination of value, product, and service. The key elements of its business strategy are maintaining low unit cost, offering the best value to the customer, capitalizing on its strong market position, and expanding in global markets.

GOL aims to maintain its cost advantage by continuing to achieve high aircraft utilization, relying on new generation, fuel-efficient aircraft that deliver lower operating costs and taking a disciplined approach to operational performance. Due to its low unit costs and high efficiencies, GOL can provide competitive low fares with dependable, reliable and on-time customer service. GOL intends to increase penetration across all traveler segments.

GOL has been a major driver behind passenger growth in Brazil. Between 2001 and 2019, Brazil's domestic passenger market grew 3.2x, from 30.8 million passengers in 2001 to 95.3 million in 2019. Brazil's international passenger market increased 4.1x, from 3.8 passengers in 2001 to 9.1 million passengers in 2019, excluding international carriers. Much of this growth can be directly attributed to GOL and its low-cost carrier model. GOL's domestic passenger market share, as measured in RPK, increased from 5% in 2001 to 38% in 2019. While GOL will remain focused on Brazilian markets, it expects to explore opportunities provided by the Boeing 737 MAX fleet, which will permit an approximate 15.0% increase in distance flow, expanding international operations to selected cities in the Caribbean, South America, North America, and other locations.

Competition

GOL competes with six carriers in the Brazilian domestic market. The seven carriers are listed below, with the number of available seat kilometers (ASKs) and frequencies they have within the Subject Entity's core and target markets during 2021.

CARRIER	FREQUENCIES	ASKS (000)
AZUL AIRLINES	249,732	30,973,764
LATAM AIRLINES GROUP	164,916	32,325,141
GOL LINHAS AEREAS S.A.	163,712	32,785,289
PASSAREDO	16,222	499,251
ASTA - SOUTH AMERICA AIR TAXI	462	1,952
TAP AIR PORTUGAL	111	3,357
MAP LINHAS AEREAS	20	643

GOL also competes with 20 carriers that have a significant presence in the international Brazilian market and fly to the same destination countries. The top 10 carriers, by number of ASKs, are listed below with the number of ASKs and frequencies they have within the Subject Entity's core and target markets during 2021.

CARRIER	COUNTRY	FREQUENCIES	ASKS (000)
LATAM AIRLINES GROUP	Chile	5,955	4,867,718
AEROLINEAS ARGENTINAS	Argentina	2,008	552,836
AMERICAN AIRLINES	USA	1,462	2,817,011
UNITED AIRLINES	USA	1,384	2,789,356
GOL LINHAS AEREAS S.A.	Brazil	1,103	592,649
DELTA AIR LINES	USA	824	1,621,191
BOLIVIANA DE AVIACION - BOA	Bolivia	535	161,182
AVIANCA	Colombia	530	408,134
SKY AIRLINE	Chile	498	251,395
AZUL AIRLINES	Brazil	465	1,350,462
AEROMEXICO	Mexico	391	795,684

Source: OAG Schedules Data, as of April 2021

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, computer software)
2. Innovative (e.g., patents, industrial designs, trade secrets)

Intellectual Property

Intellectual properties are assets with the capability of generating revenue, decreasing costs, expanding and protecting competitive positions, or enhancing customer value propositions.

GOL's brand, marketing, and distribution method contributes to its intellectual property. The distribution technology and approach creates significant cost savings and enables the Subject Entity to continue building loyalty with customers through increased interaction with them. The GOL brand is established as a global leader in online booking and direct to consumer sales.

The low-cost distribution strategy results in reduced expenses by avoiding the fees associated with the use of Global Distribution System (GDS) distribution points.[1] Every GDS charges per transaction. Booking fees are usually between 2.0%–4.0% of a ticket price, and around 20.0% for a hotel booking.[2] The automated marketing and targeted advertising allows GOL to maintain lower than industry costs on a per passenger basis.

GOL is also able to utilize data and analytics to grow revenues and optimize the customer experience. GOL has a leading technical function, which provides 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. GOL continues to evolve ways of working with technology to engage customers and employees; this creates additional revenue opportunities by allowing the Subject Entity to capitalize on customer loyalty. GOL has recently leveraged technology to create a travel process emphasizing contactless check-in for comfort and safety of customers during the ongoing COVID-19 pandemic.[3]

[1] GOL NYSE Investor Roundtable June 24, 2020.
[2] A-viewpoint-on-GDS-surcharges-and-the-evolving-airline-distribution-landscape, TPConnects.
[3] GOL Results 3Q20 Presentation.

The full year financial statements for the Subject Entity are summarized below.

R$ MILLIONS	2016	2017	2018	2019	2020
REVENUE	9,867	10,576	11,411	13,865	6,372
REVENUE GROWTH, Y/Y	0.9%	7.2%	7.9%	21.5%	-54.0%
EBITDA	1,144	1,495	2,068	3,865	918
EBITDA MARGIN	11.6%	14.1%	18.1%	27.9%	14.4%

V. AVIATION INDUSTRY OVERVIEW

An essential consideration in any appraisal is the condition of the market at the time the valuation is rendered. Without question, 2020 was a year unlike any other in recent memory, with macroeconomic, geopolitical and global health questions pushing the world economy in general, and the aviation industry specifically, down from the highs of recent years. This section defines current and recent market conditions, including general market commentary, highlighting major factors influencing aircraft values, as well as mba's view of the current market situation for each aircraft type examined in this valuation.

Passenger Traffic

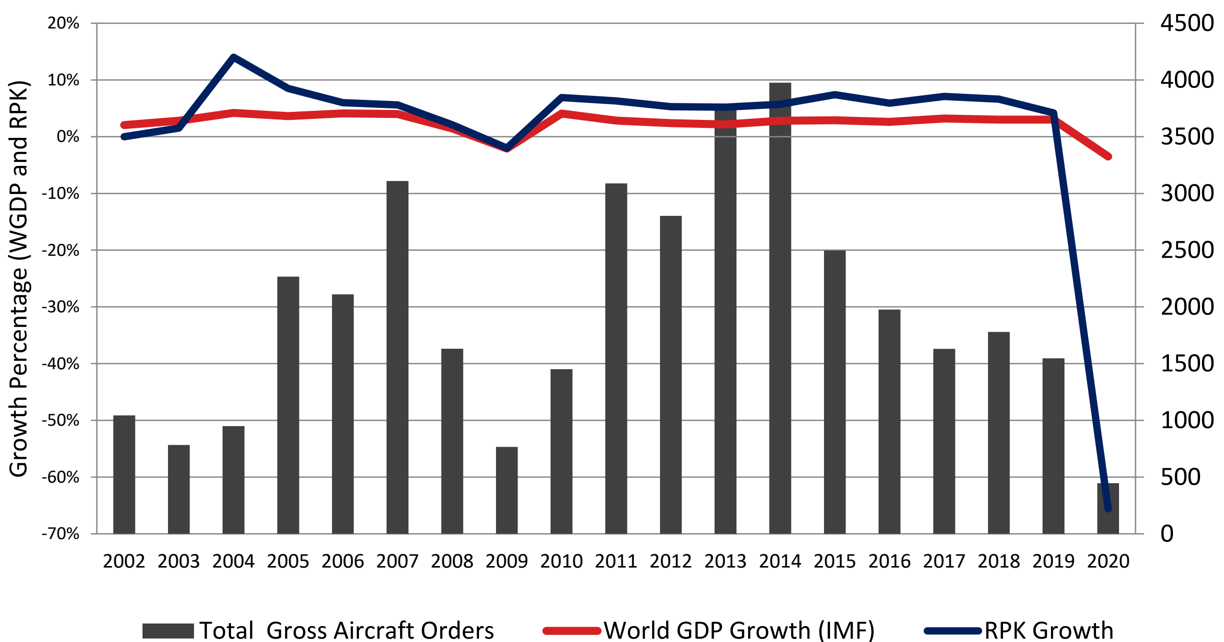
There are a number of variables that have historically shown a strong correlation to aircraft values. These variables include but are not limited to global, regional, and national Gross Domestic Product (GDP), Revenue Passenger Kilometer (RPK), and Available Seat Kilometer (ASK) rates of growth, as well as an aircraft's placement on the production line, ubiquity, technical obsolescence, active-to-parked ratio, production status, and order backlog, which all help predict long-term values prospects. Other factors, like oil prices and active-to-parked ratio, have traditionally offered insight into short-term value fluctuations. In addition, the world is still going through an unparalleled period of shock, but the overall global economy has started to emerge from the lows of April 2020, the beginning of the "Great Lockdown."

In March 2020, the COVID-19 pandemic and safety protocols around it all but halted mobility globally, especially air traffic, and the second half of the year saw frequent changes to travel policies and inconsistent containment measures, leading to more questions than answers about the future of air travel. In November 2020, the International Air Transport Association (IATA) predicted that full-year passenger demand (domestic and international) would be down 57.6% compared to 2019, down from the April forecast of a 48.0% decline but up from September's forecast of a 66.0% decline. While recent data shows improvements over the exceptional lows early in the pandemic, IATA revised its projection for when passenger air traffic may recover to pre-pandemic levels from spring 2023 to autumn 2024.

In its most recent World Economic Outlook (WEO) report, in January 2021, the International Monetary Fund (IMF) estimated the 2020 contraction in economic growth to be at -3.5%. Significantly, this is 0.9 percentage points (pp) above the October 2020 projection due to a stronger second half recovery than anticipated. However, the IMF emphasized that recovery would vary by region, depending on access to medical interventions and assumes "broad vaccine availability in advanced economies and some emerging market economies in summer 2021 and across most countries by the second half of 2022." The projection for global GDP growth for 2021 now stands at 5.5%, with the highest expectations for Emerging Markets in Asia but positive growth across all regions in the ~2.0-9.0% range.

Analyzed in conjunction, two of the best indicators of the health of the commercial aviation industry are the number of new aircraft orders placed and RPK growth, which IATA defines as the number of paying passengers multiplied by total kilometers flown. Both data points and trends have been highly correlated to world GDP in the past. By looking at the forecasted world GDP, the potential RPK growth can typically be projected, which in turn influences new aircraft orders if passenger demand increases.

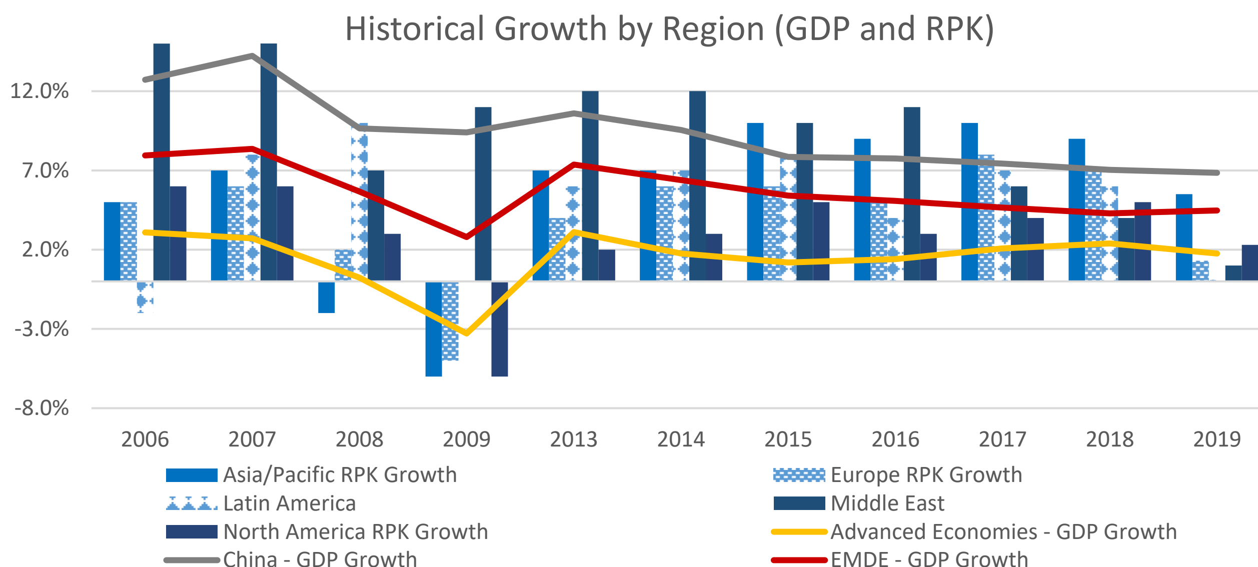
As seen in the chart below, air passenger traffic has historically been sensitive to global economics and geo-politics, and while 2020 saw rates nosedive, air traffic has typically rebounded strongly in the years following extraordinary circumstances. Once the pandemic is over, recovery is undisputed, but the length of time for full global market recovery remains unknown.



Source: STAR Fleet, OEMs, World Bank, IATA

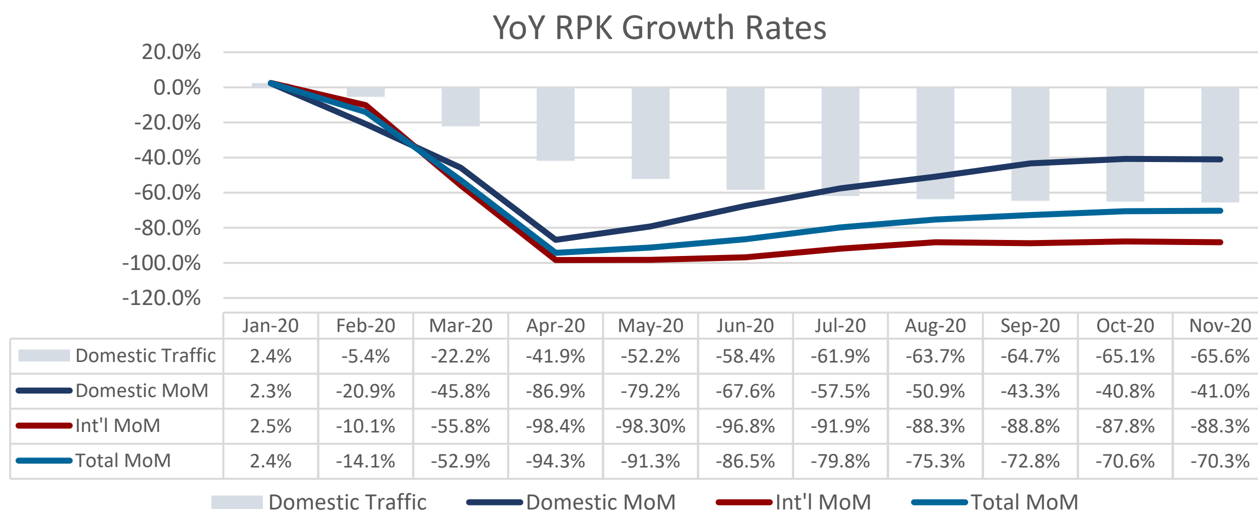
Historical growth patterns may still prove useful when forecasting traffic post-COVID-19. Annual traffic growth had already started to slow down as 2019 came to a close. Profound geopolitical and geo-economic uncertainties like Brexit, United States (U.S.)-China trade relations, and diplomatic tensions globally all weighed heavily on recent forecasts for the aviation industry. In addition, the grounding of the 737 MAX strained capacity, which in turn held back RPK growth. While 2018 marked the ninth consecutive year of above-trend growth in RPKs, rates retracted throughout 2019 and remained below the 20-year average rate of approximately 5.5% before plummeting in 2020.

In recent years, Global RPK and economic growth were primarily driven by Emerging Market and Developing Economies (EMDE), especially in China. Advanced Economies' GDP remained nearly stagnant, growing at around 2.0% annually over the last ten years. According to the January WEO, the IMF forecasts 2.3% GDP growth in market output in China, a 2.4% drop in the EMDE GDP, and 4.9% decline in Advanced Economies GDP for 2020. GDP for 2021 is projected to see 8.1% growth in China, 6.3% in EMDE, and only 4.3% in Advanced Economies in 2021. The forecast is more optimistic than it has been since the pandemic hit, but if vaccine distribution is hampered in poorer countries, EMDEs may be hit much harder than wealthier regions.



Source: IATA.org: 2006–2020

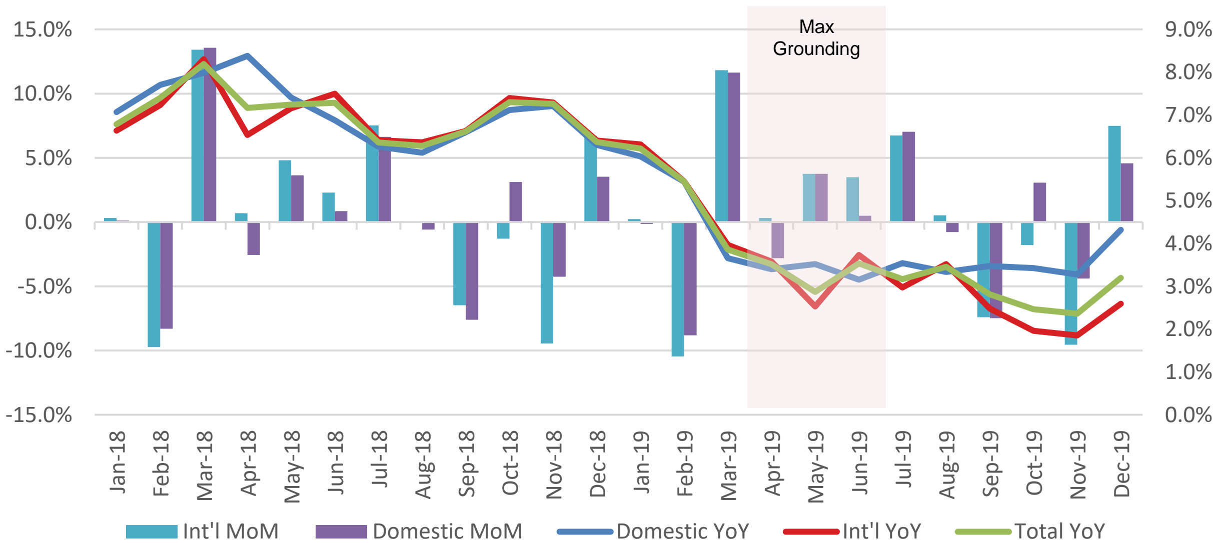
In hindsight, a closer look at 2020 RPK rates reveals the unsurprising yet still dramatic depression in travel revenue, as well as the summer's indications of a rebound, especially in domestic air travel. However, it seems that until vaccination leads to herd immunity, air travel will remain protracted.



	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20
Domestic Traffic	2.4%	-5.4%	-22.2%	-41.9%	-52.2%	-58.4%	-61.9%	-63.7%	-64.7%	-65.1%	-65.6%
Domestic MoM	2.3%	-20.9%	-45.8%	-86.9%	-79.2%	-67.6%	-57.5%	-50.9%	-43.3%	-40.8%	-41.0%
Int'l MoM	2.5%	-10.1%	-55.8%	-98.4%	-98.30%	-96.8%	-91.9%	-88.3%	-88.8%	-87.8%	-88.3%
Total MoM	2.4%	-14.1%	-52.9%	-94.3%	-91.3%	-86.5%	-79.8%	-75.3%	-72.8%	-70.6%	-70.3%

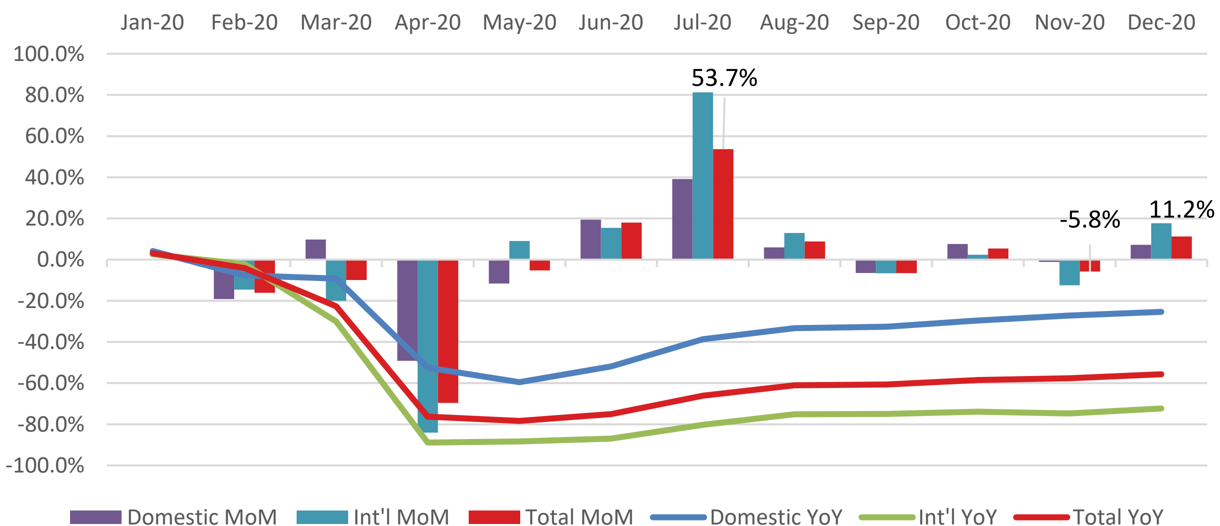
Source: IATA

Another important traditional metric of air travel health are ASKs. A measure of passenger capacity, it reveals real air traffic growth, visibly contracting in 2019 around the time of the 737 MAX groundings. Comparing domestic, international, and total ASK growth rates is another measure confirming slowing air travel growth.



Source: OAG Analyzer

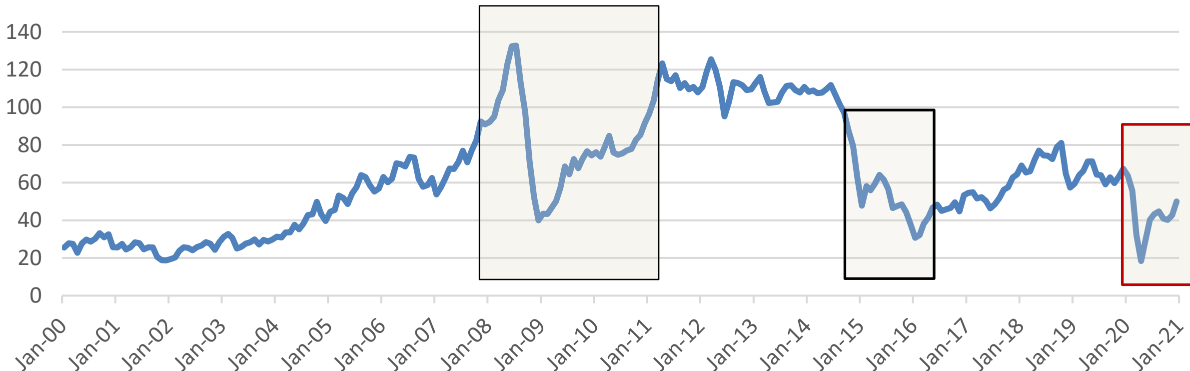
In 2020, one can see how aberrantly air traffic behaved, while also noting that the worst of the ASK retraction appears to have occurred at the height of uncertainty about the pandemic, March through June. Year-over-Year (YoY) ASK growth climbed slowly over the last six months of the year, and Month-over-Month (MoM), summer, and year-end travel rates were higher than expected.



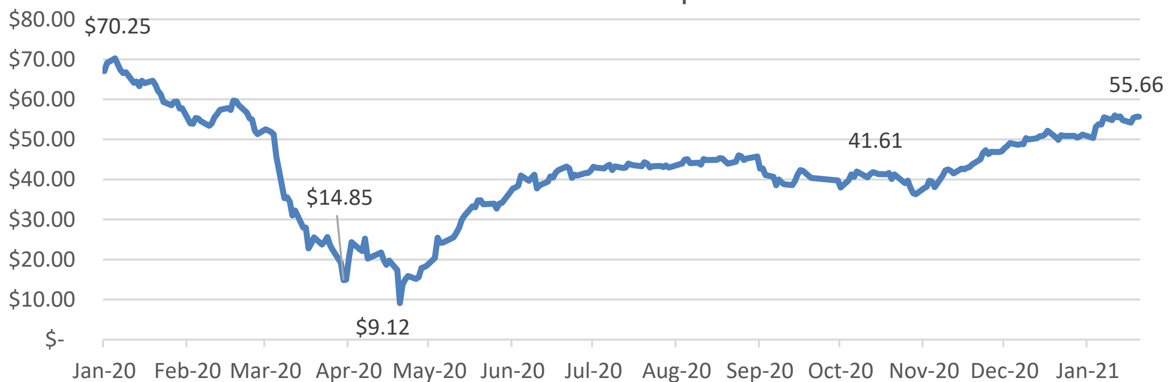
Source: OAG Analyzer

Oil Prices and Currency Exchange Rates

Though the global pandemic has taken control of the aviation market, historicaly one of the largest impacts on aircraft values has been oil prices. Previous spikes led OEMs to quickly introduce more fuel efficient types likes the A320neo family, 737 MAX family, and A330neo family, while drops in fuel have kept older aircraft in service longer. High and volatile fuel prices can have signficant impacts to airlines balance sheets and in some cases have been the final nail in a cash strapped airline's coffin.



Source: Energy Information Agency, www.eia.gov



Source: Energy Information Agency, www.eia.gov

After a period of volatility between 2007 and 2011, oil prices remained over US$100.00 per barrel until the end of 2014 when prices began to fall. 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. Oil prices in 2020 fell to new 15-year lows; although they are recovering, they have not rebounded fully, and as the world remains in various states of lockdown, the demand for oil remains low.

Global Trade Impact on Aviation

Pre-COVID era geopolitical and geo-economic events of the past few years are still generating uncertainty and volatility in the aviation industry. China's economic health, although slowing in recent years from its fantastic heights of the early 2000s, slumped in 2019 after the nation imposed new tariffs on US$60 billion of American goods and threatening to reduce Chinese orders of Boeing aircraft. In response, the former Trump Administration proposed an escalation of tariffs on Chinese aircraft and jet engines, upping the duties to 25.0%. A three-member World Trade Organization (WTO) panel concluded in September 2020 that the U.S. duties violated its obligations under the GATT (Global Agreements on Tariffs and Trade, 1994) by pursuing tariffs on only one member state.

With Brexit finalized and a United Kingdom (U.K.)-European Union (EU) trade agreement hammered out in the last days of 2020, the U.K.'s Civil Aviation Authority (CAA) ceased to take part in EU institutions, including EASA on January 1, 2021. For the sake of aviation safety, the transition period will be a long one. According to the U.K. CAA's microsite regarding the matter, "all substantive EU requirements current and valid on 31 December 2020 have been retained in U.K. domestic regulation. All EASA certificates, approvals and licences in effect on 31 December 2020 for use in the U.K. aviation system and on U.K.-registered aircraft will be recognised by the CAA for up to two years." EU-registered airlines operating in the U.K. will need to receive a "Foreign Carrier" permit to continue operation in the U.K., and similar conditions apply to U.K. airlines operation in the EU.

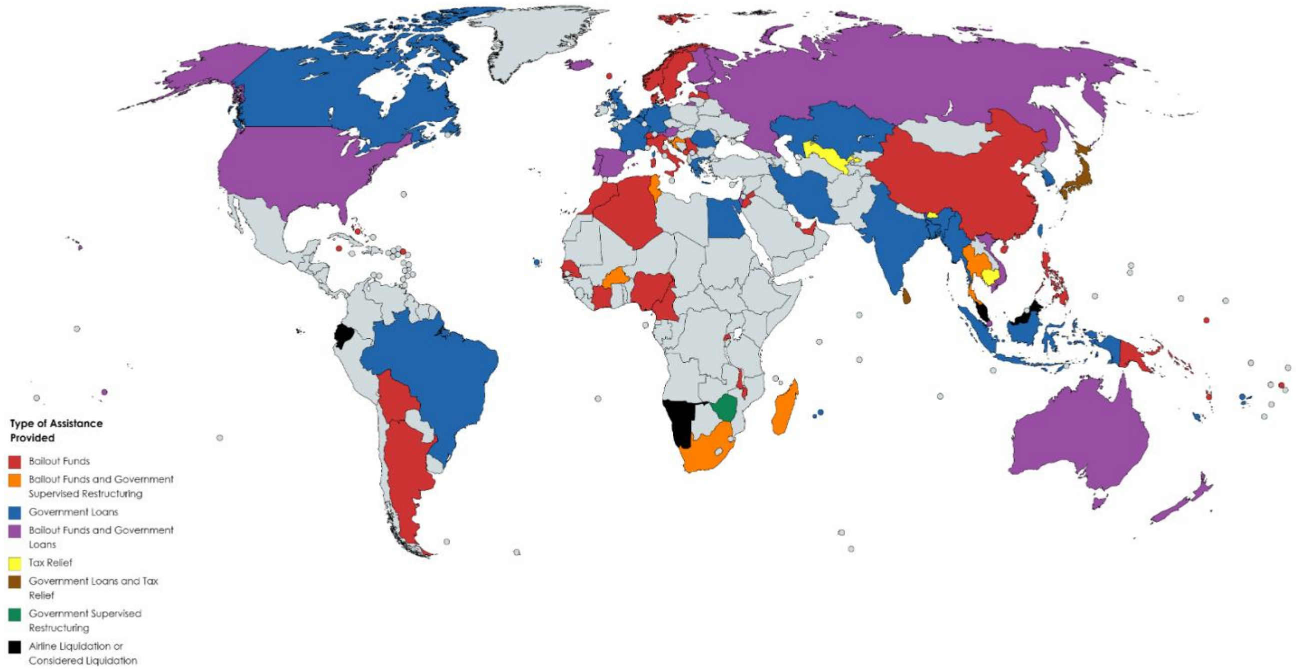
Global Pandemic

As of January 2021, 50 countries are completely closed to foreign travelers, compared to 103 in June and 64 in October, and 90 countries are partially open depending on traveler's citizenship or point of origin. Seventy-five countries have no travel restrictions, including the U.K, Brazil, Mexico and much of Africa, but quarantine protocols are in place in nearly all instances.

Flight schedules remain uncertain with frequent and last-minute cancellations and changes in departure dates and times, though most airlines have dropped change fees to make it easier for travelers to make last minute decisions about whether or not to follow through on travel plans. Many smaller operators stopped flying, some temporarily and some altogether. In November 2020, IATA estimated that passenger revenue for the year would be approximately US$191 billion, compared to US$612 billion in 2019, with 2021 projected to see only US$287 billion in revenue.

Collectively, 85 governments worldwide have provided approximately US$142 billion to airlines as of November 2020, through a combination of bailout funds, government provided loans, and tax relief. Even when adjusting for inflation, this dwarfs the approximately US$10 billion (in 2020 dollars) airlines received after 9/11. The largest of these packages comes in the form of the CARES Act, passed in the U.S., which provides up to US$58 billion to airlines, while the smallest requested package is from Malawi Airlines for US$527,000.00 from the Malawian Government to pay salaries at the airline.

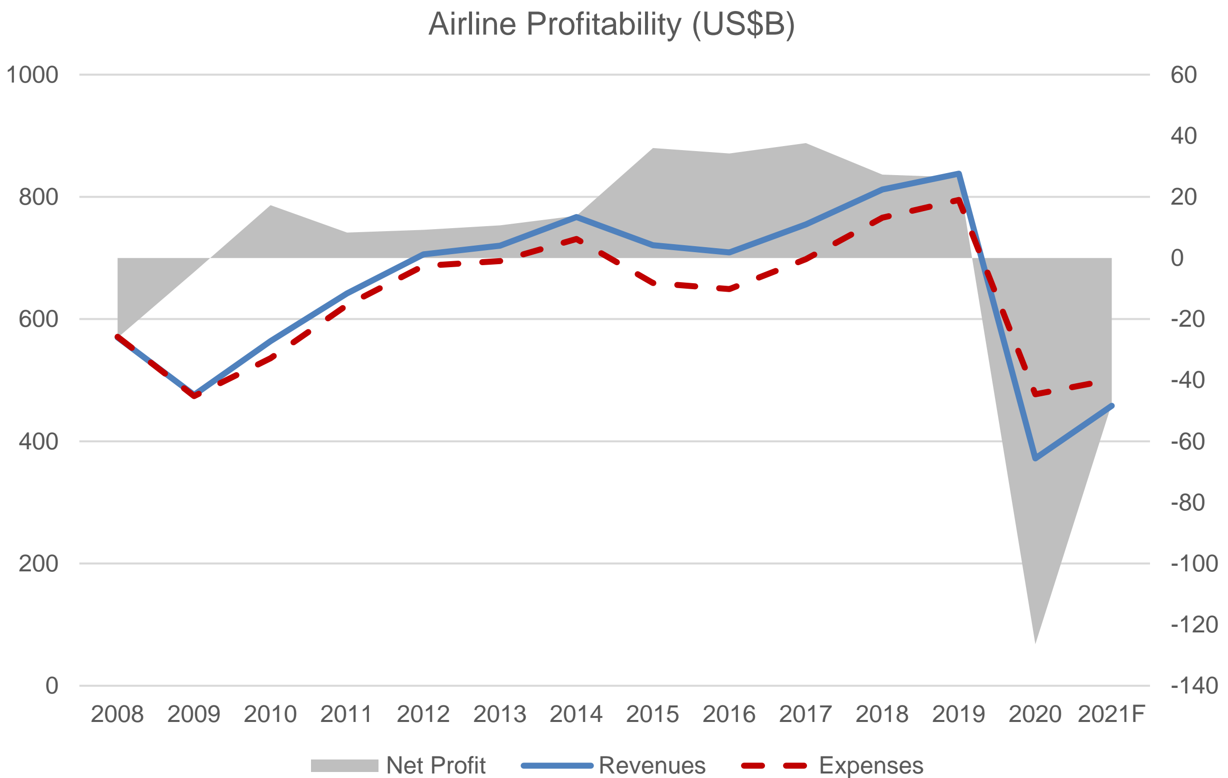
In addition to or in lieu of providing bailout funds, some governments have opted to use the ongoing crisis to supervise a restructuring and/or sale of state-owned airlines. Various types of government assistance are laid out in the map below.



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 that generates. According to the International Air Transport Association (IATA) COVID-19 analysis, global RPKs declined 62.1% versus 2019, resulting in an US$126 billion loss for the industry in 2020. As of April 2021, global RPKs are expected to decline 43.0%[4] in 2021 versus 2019 with a forecast to losses to US$47.7 billion in 2021.

The graph below displays profitability numbers for the global airline industry as per IATA.

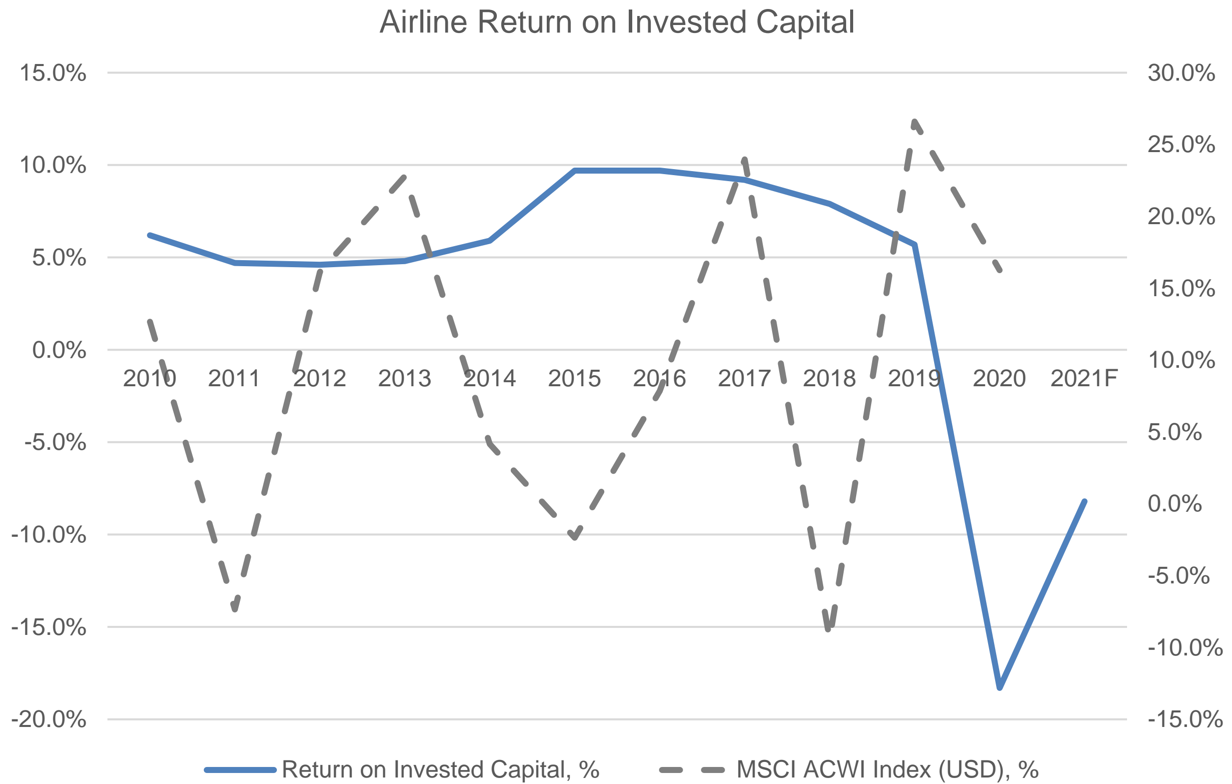


Source: IATA Industry Statistics Fact Sheet, IATA COVID-19 Impact Assessment, mba Analysis

[4] https://www.iata.org/en/iata-repository/publications/economic-reports/airline-industry-economic-performance---april-2021---presentation/

Return on Invested Capital

Return on Invested Capital (ROIC) for the airline industry was -18.3% for 2020, a significant decline due to the COVID-19 pandemic. The stability in airline margins and ROIC in 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

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 there exist few transactions exclusively involving intellectual property and an airline's brand, 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.[5] 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.[6]

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 self-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 for 50 years after execution of the agreement in 2010.[7]

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, 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.[8] Recently, many of these carriers have moved away from the franchise model and have established wholly owned subsidiaries.

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[5] http://investors.southwest.com/news-and-events/news-releases/2008/19-11-2008.
[6] https://www.sec.gov/Archives/edgar/data/1614436/000119312514365735/d761206dex1050.htm.
[7] https://corporate.easyjet.com/~/media/Files/E/Easyjet/pdf/investors/brand-licence-court-case/11-10-2010a-pr.pdf.
[8] 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.[9] 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 and its Free Spirit affinity credit card program and its $9 Fare 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.[10]

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 and domain names, and certain spare parts.[11] 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.

[9] http://otp.investis.com/clients/us/jetblue_airways/SEC/sec-show.aspx?FilingId=14223861&Cik=0001158463&Type=PDF&hasPdf=1.
[10] https://www.moodys.com/research/Moodys-assigns-B1-corporate-family-rating-negative-outlook-to-Spirit--PR_431327.
[11] https://www.prnewswire.com/news-releases/gol-finance-prices-us200-million-of-8-senior-secured-notes-due-2026-301196621.html.

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 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 the comparable data. In the Market Approach, values may also be derived from discussion 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 a number of 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 the Relief from Royalty, multi-period excess earnings (MPEEM), With-or-Without, and Greenfield.

These intangible asset valuation methods are applied in the following ways:[12]

- 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 data points to support 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.

[12] https://www.oecd.org/tax/transfer-pricing/47426115.pdf.

Royalty Savings Forecast

For the Relief from Royalty analysis, mba utilized forecasted financial statements supplied by GOL's management team. The Client provided forecasted financial statements covering the years 2021 through 2029. mba applied a 2.0% royalty charge to GOL's forecasted total revenue from 2021 through 2026 to determine the future benefit stream. mba then applied a terminal value perpetuity growth model to capture the royalty savings beyond 2026.

In determining this royalty charge, mba relied on industry knowledge and intelligence, confidentially obtained data points, its market expertise and current analysis of market trends and conditions.

In conjunction with the Client-supplied, pro-forma financial statements, mba ran an independent forecast of the Client's operations based on the Subject'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 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 compared 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.

Relief from Royalty Adjustments

The Client provided forward-looking, pro-forma financial statements covering the years 2021 through 2029. The following are adjustments applied in this valuation:

- TERMINAL GROWTH RATE – mba applied an indefinite 5.0% growth rate to the benefit stream in the terminal stage of the forecast. Growth was based on mba's analysis of industry growth rates in Subject's region.
- TAX RATE – The Subject Entity's management forecast assumes an effective corporate tax rate of 23.8% in the Subject Region. mba applied the 23.8% tax rate to the relief from royalty benefit stream.

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). mba concluded the Subject Entity's WACC to be 10.5%.

VIII. CONCLUSION OF VALUE

The following summarizes mba's Conclusion of Value of the Subject Asset as of April 2021.

CONCLUSION OF VALUE (R$ MILLIONS)

GOL BRAND INTELLECTUAL PROPERTY	R$5,450.9

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 changes 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 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 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 of airlines in the U.S. may limit the number of potential competitors against the Subject Entity. Should further consolidation occur, this could impact the Subject Entity.

Revenue Risks

mba's valuation is based on the assumption that the Subject Entity will be able to meet or exceed the requirements set forth in the intellectual property licensing terms. If the Subject Entity does not attain or maintain these requirements, 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.

Long-Term Contract Risks

mba's valuation is based on the assumption that the Subject Entity's license agreement 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.

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 the H1N1 virus (swine flu), SARS, or bird flu. The coronavirus outbreak that originated in or around Wuhan, China, in December 2019 has resulted in the widespread suspension of commercial air service around the world, as well as the imposition by the U.S. and other governments of significant restrictions on air traffic. Suspension of service, which remains in place as of the date of this report, and the potential for a period of significantly reduced demand for travel has and will likely continue to result in significant lost revenue.

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, express 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.

XI. REPRESENTATIONS OF VALUATION ANALYSTS

mba represents, as of the date written below, 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 assets 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 assets. 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:

Steven Harokopus, CVA
Senior Analyst | Airline & Airport Services
mba Aviation

April 29, 2021

REVIEWED BY:

Anne Agnew Correa, CVA
Vice President | Airline & Airport Services
mba Aviation

ANNEX B – SPARE PARTS APPRAISAL

Full Appraisal of:
Component Inventory,
Consisting of 25,526 Unique Line Items, 98,347 Total Line Items

Client:
Gol Linhas Aéreas Inteligentes S.A.

Date:
November 30, 2020

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I. Introduction and Executive Summary

mba Aviation ("mba") has been retained by Gol Linhas Aéreas Inteligentes S.A. (the "Client") to provide a Full Appraisal to determine the Current Market Value of a Component Inventory consisting of 25,526 unique line items at multiple stations provided by the Client as of June 2020. The Component Inventory line items and conditions were supplied to mba by the Client. The accuracy of the data was verified by a virtual inspection of the Component Inventory utilizing Microsoft Teams software that was conducted by mba over the week of July 20, 2020. The Component Inventory is fully identified in Section IV of this Report.

In performing this Appraisal, mba relied on industry knowledge and intelligence, confidentially obtained data points, its market expertise and current analysis of market trends and conditions.

Based on the information set forth in this Report, it is mba's opinion that the total Current Market Value of the Component Inventory is as follows and as set forth in Section IV.

Inventory Valuation (US$)			
Description	**Line Items**	**Pre-Audit Current Market Value**	**Post-Audit Current Market Value**
Rotable	15,288	$125,059,830	$123,171,427
Repairable	16,603	$16,222,436	$15,635,184
Expendable	66,456	$52,382,537	$50,486,289
Total Parts	**98,347**	**$193,664,803**	**$189,292,900**

Section II of this report presents definitions of various terms, such as Current Base Value and Current Market Value as promulgated by the Appraisal Program of the International Society of Transport Aircraft Trading (ISTAT). ISTAT is a non-profit association of management personnel from banks, leasing companies, airlines, manufacturers, brokers, and others who have a vested interest in the commercial aviation industry and who have established a technical and ethical certification program for expert appraisers.

II. Definitions

Full Appraisal

A full appraisal is one that includes an inspection of the assets and its maintenance records. This inspection is aimed solely at determining the overall condition of the assets and records to support the value opinions of the appraiser. A full appraisal would normally provide a value that includes adjustments for the asset's condition to account for the actual condition of the asset, and possibly other adjustments to reflect the findings of the inspection of the asset and its records. (ISTAT Handbook)

Market Value

ISTAT defines Market Value (or Current Market Value if the value pertains to the time of the analysis) as the appraiser's opinion of the most likely trading price that may be generated for an asset under market circumstances that are perceived to exist at the time in question. Current Market Value assumes that the asset is valued for its highest, best use, and the parties to the hypothetical sale transaction are willing, able, prudent and knowledgeable and under no unusual pressure for a prompt transaction. It also assumes that the transaction would be negotiated in an open and unrestricted market on an arm's-length basis, for cash or equivalent consideration, and given an adequate amount of time for effective exposure to prospective buyers.

Market Value of a specific asset will tend to be consistent with its Base Value in a stable market environment. In situations where a reasonable equilibrium between supply and demand does not exist, trading prices, and therefore Market Values, are likely to be at variance with the Base Value of the asset. Market Value may be based upon either the actual (or specified) physical condition or maintenance time or condition status of the asset, or alternatively upon an assumed average physical condition and mid-life, mid-time maintenance status.

Qualifications

mba is a recognized provider of aircraft and aviation-related asset appraisals and inspections. mba and its principals have been providing appraisal services to the aviation industry for over 25 years; and its employees adhere to the rules and ethics set forth by the International Society of Transport Aircraft Trading (ISTAT). mba employs three ISTAT Certified Appraisers and three Candidates. mba's clients include most of the world's major airlines, lessors, financial institutions, and manufacturers and suppliers. mba maintains offices in North America, Europe, and Asia.

mba publishes quarterly values updates on its online platform REDBOOK, which provides current and projected aircraft values for the next 20 years for over 150 types of jet, turboprop, and cargo aircraft in addition to engines and helicopters.

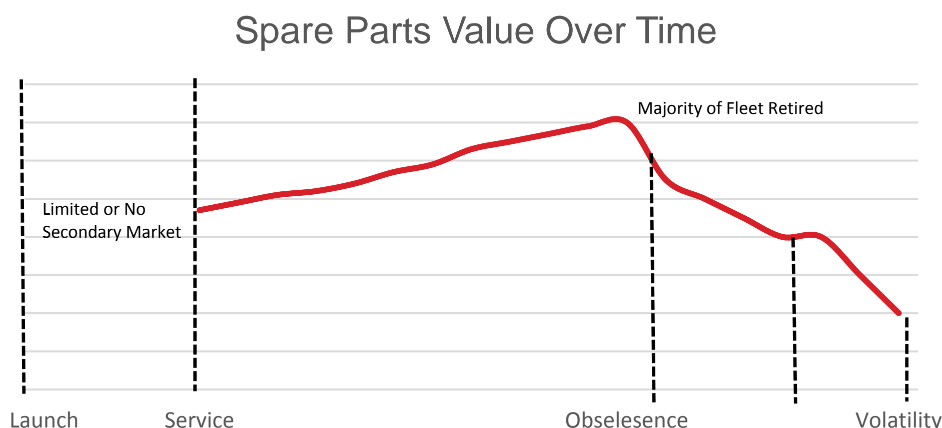
mba also provides consulting services to the industry relating to operations, marketing, and management with an emphasis on financial/operational analysis, airline safety audits and certification, utilizing hands-on solutions to current situations. mba also provides expert testimony and witness support on cases involving collateral/asset disputes, bankruptcies, financial operations, safety, regulatory and maintenance concerns.

GENERAL MARKET OBSERVATION 1ST HALF 2020

An essential consideration in any appraisal is the condition of the market at the time the valuation is rendered. This section explores major factors currently influencing spare part values, including spare part value retention, market trends for both widebody and narrowbody aircraft and financial performance of Maintenance, Repair, Overhauls (MROs) and spare parts providers.

SPARE PART RESIDUAL VALUES

An aircraft or engine that is in high demand will naturally have spare parts that are in high demand and will be priced accordingly. However, unlike aircraft, spare parts do not necessarily continually depreciate. Spare parts that service a particular aircraft will depreciate at first as the aircraft platform enters service and supply of parts is predominantly provided by the manufacturer of the components at what many would consider "list prices." Then, as the secondary parts market becomes more active, the market value of components will appreciate modestly for what is usually the remainder of the platform's production life. Once production of a particular aircraft is ceased and a considerable number of aircraft remain in service, the market value may begin to appreciate at a greater rate as part scarcity starts to increase while demand remains constant. This typically drives the entrance of part-out companies that acquire and dissemble aircraft to service this market in greater numbers. This leads to a period of stability in value before entering a period of volatility in which values are directly correlated to the supply and demand ratio for the specific component. The following graph illustrates the life-cycle of spare parts value.



Spare parts are readily traded on the secondary market with several platforms on which sellers can market their parts. Online services such as ILS and Parts Base allow sellers to post the parts they are looking to liquidate. When monetizing inventories, sellers looking to maximize yield typically list their spare parts on the market individually, yielding the highest value over a long period. Those who own larger inventories that require monetization in shorter periods of time may require a lot sale.

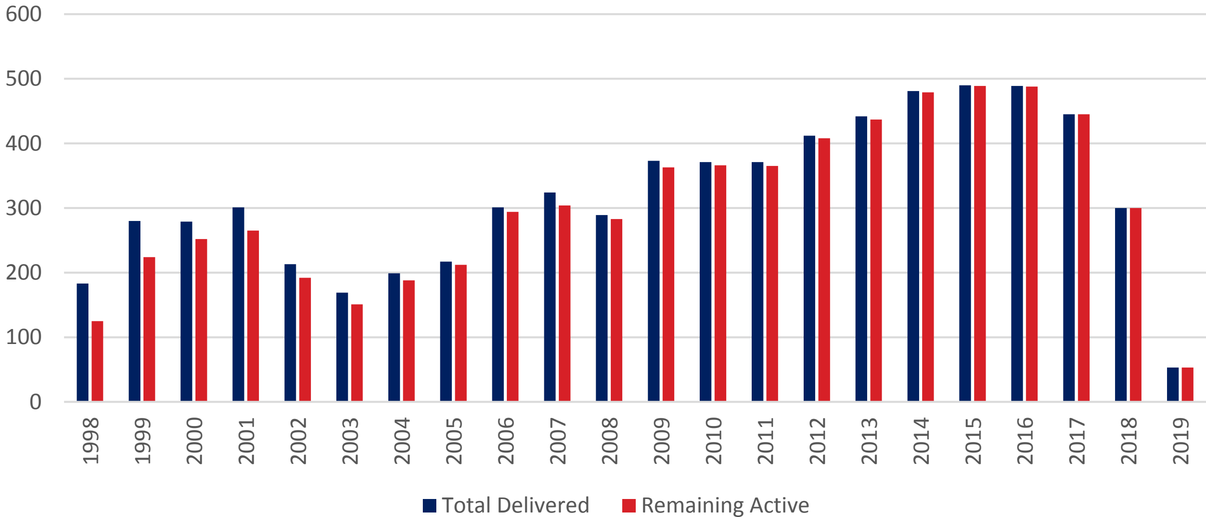
Lot sales have lower yields than selling each part individually, but they allow for the sale of parts in greater numbers and more rapidly. Another option for part sales are auctions, during which the seller packages entire spare part inventories for liquidation in short periods of time with the lowest yield.

SPARE PART TRADING OPTIONS

	Yield	Marketing Time
INDIVIDUAL SALE	High	Long
LOT SALE	Low	Short
AUCTION	Lowest	Immediate

SPARE PART MARKET TRENDS

Demand for spare parts is strong as production of current-generation aircraft comes to a close. mba anticipates demand for current-generation aircraft parts will continue to strengthen as airlines are expected to operate a majority of the fleet well into the next decade. The A320ceo and 737NG fleets are very young, even though their replacements entered service three years ago.

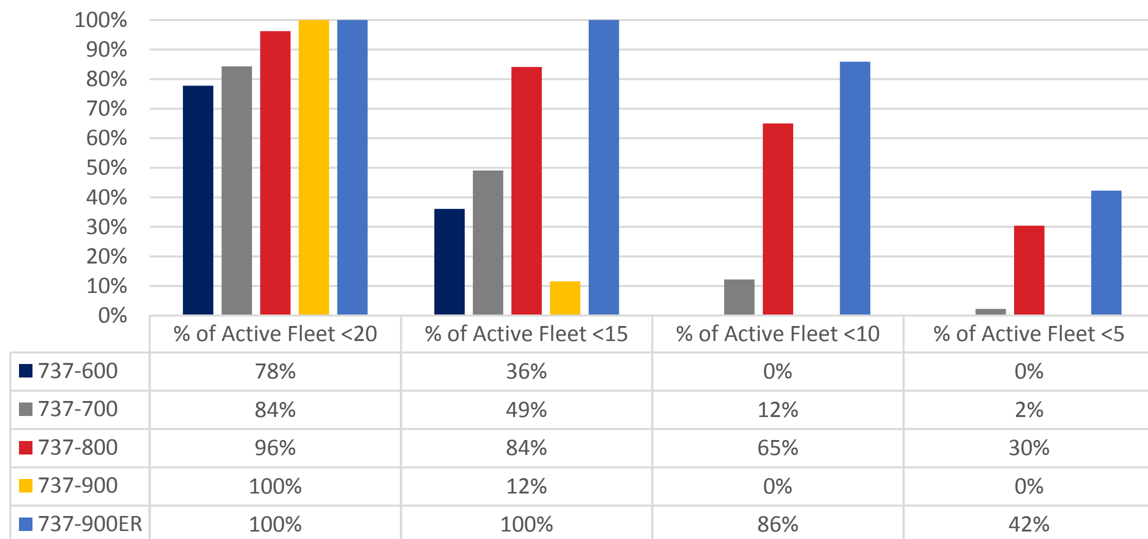


Source: mba STARFLEET

For instance, the average age of active 737NG family aircraft is just under ten years old, despite the first aircraft being delivered in 1998. Nearly 4,000 aircraft have been delivered since 2010, accounting for over half of all 737NG aircraft delivered since launch.

This rapid increase in deliveries has created significant demand for spare parts for the 737NG fleet. Supply is unlikely to keep up with this demand for the next decade as very few aircraft have been parted out. Even as older 737NG aircraft begin to be torn down, there are not enough older examples to satisfy the needs of operators. The 737-700 and 737-800 freighter-conversion programs, with both types entering service in 2017, should also stimulate demand for 737NG spares. Older aircraft that may otherwise have been parted out may now be converted to freighter, further reducing potential supply.

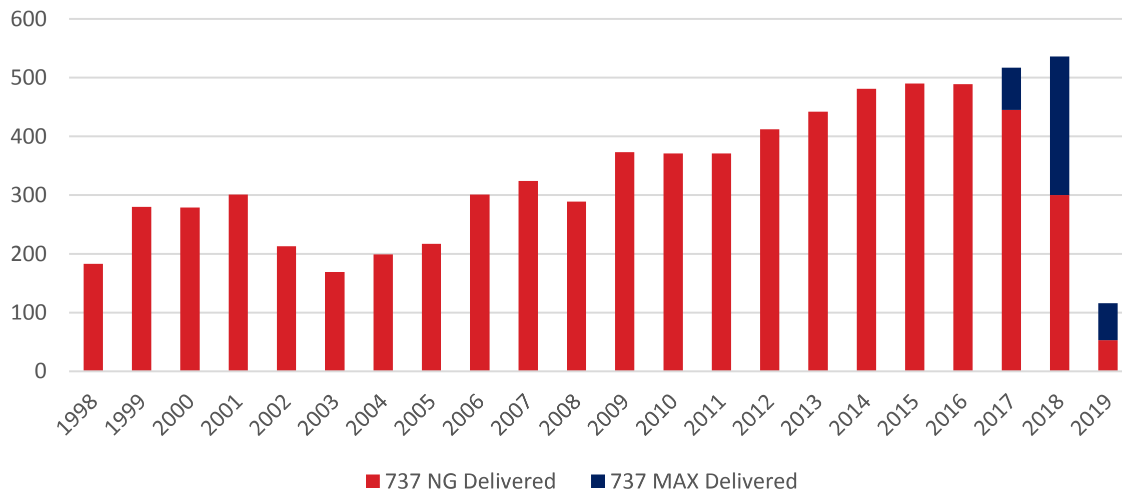
The shortage in supply is compounded by the large number of 737 MAX aircraft entering service, as the two families of aircraft have significant parts commonality. Even though the 737 MAX is currently grounded due to safety concerns after two high profile crashes, it is probable that demand for the 737 MAX will return to pre-incident levels in short order once the aircraft is certified to return to service. The imbalance in supply and demand in the 737 parts market should create a seller's market for 737NG spare parts well into the late 2020s.



	% of Active Fleet <20	% of Active Fleet <15	% of Active Fleet <10	% of Active Fleet <5
737-600	78%	36%	0%	0%
737-700	84%	49%	12%	2%
737-800	96%	84%	65%	30%
737-900	100%	12%	0%	0%
737-900ER	100%	100%	86%	42%

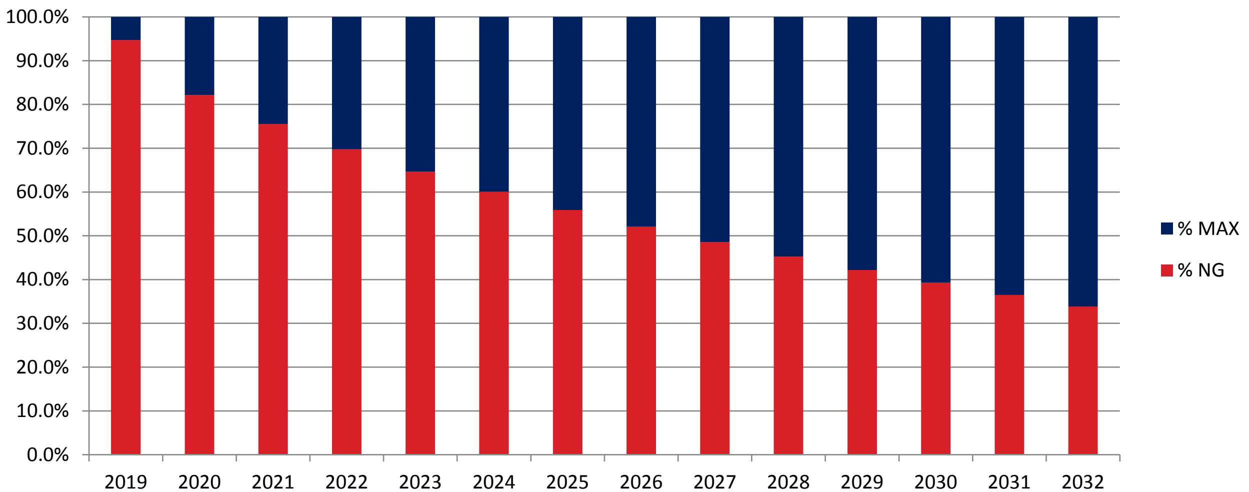
Source: mba STARFLEET

Riding on the success and ubiquity of the 737NG, the re-engined 737 MAX has garnered an impressive number of orders since the program was launched. In less than nine years, Boeing has booked 4,912 orders for the re-engined family of aircraft, just over 2,000 aircraft shy of the 6,896 orders the 737NG family gained over a period of over 25 years. The strong demand of the aircraft is a result of strong global passenger traffic growth, the rise of Low Cost Carriers (LCCs) and the rapid growth of the middle class in developing countries, such as China and India. With significant spare commonality between the 737NG and 737 MAX, the long-term success of the 737 MAX is likely to create strong demand for spares in the medium to long term and a healthy spare pool with limited bifurcation of parts between the two families. The drop off in deliveries observed in 2019 is due to the cessation of deliveries of the 737 MAX and the exhaustion of the 737NG backlog.



Source: mba STARFLEET and Boeing

With the ramp up in production for the 737 MAX beginning in 2018, the average age of the fleet is just over 1.5 years old. The large order book and Boeing's plans to increase deliveries to 57 aircraft per month once the aircraft re-enters service means demand for 737NG spares is likely to grow rapidly and peak once the 737 MAX reaches ubiquity and replaces the 737NG in the global fleet. mba expects the 737 MAX fleet to reach 50.0% of the total in-service fleet of all 737 aircraft in 2027. Boeing projects 56.0% of its deliveries over the next 20 years are to satisfy demand due to market growth and 44.0% of orders are for replacement of currently in-service aircraft. As the 737 MAX program is still very young, it is likely to gain more orders over the next few years and likely to easily surpass the 6,896 orders that the 737NG gained over the course of its production. If the 737-700 and 737-800 prove to be successful converted freighter platforms, the high level of part commonality between the 737NG and 737 MAX will cause demand for the parts to remain extremely strong in the coming years.



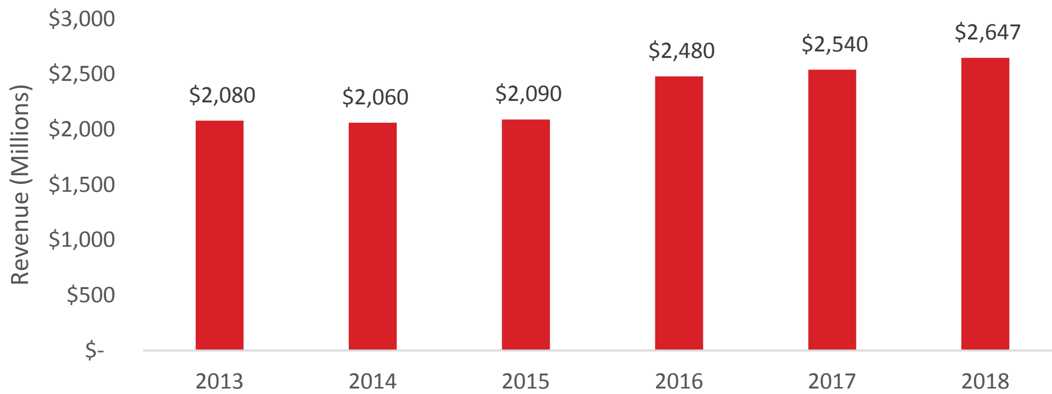
Source: mba STARFLEET and Boeing

MAJOR PLAYERS

Aviation spare parts suppliers are represented by the Aviation Suppliers Association (ASA). The ASA is a not-for-profit organization based in Washington D.C., which currently has 679 members worldwide. Another program known as the International Airlines Technical Pool (IATP) allows airlines to pool their parts in order to increase spares availability. Members of IATP do not have to operate a storeroom at every destination they fly to, and instead, can purchase other member's spares in case of an aircraft on ground (AOG) scenario. IATP currently has 115 participants with parts at over 900 airports. The newest member of the organization is Neos S.p.A., which joined in April 2019.

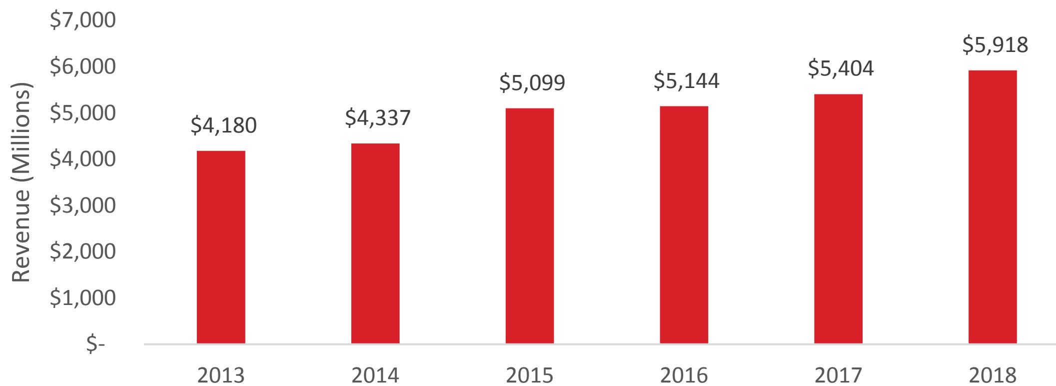
Some of the largest providers of spare parts are AAR, AJ Walter, and GA Telesis. These companies purchase airframes and engines for part out, overhaul the spares, and then sell these parts to operators around the world. All three companies also have a MRO component to their business. Of these companies, only AAR is publically listed. AAR continued its upward revenue growth netting US$1,748 million in sales, representing a 9.8% increase compared to 2017.

The largest MRO in Asia is Singapore-based ST Aerospace. ST Aerospace offers MRO services for airframes, engines, and spare components. ST Aerospace also offers spare parts leasing services, with a "Maintenance-by-the-Hour" program for spare components, which currently supports more than 600 aircraft. ST Aerospace's revenue has grown at a steady pace, reaching US$2.64 billion in 2018, up 4.2% since 2017. ST Aerospace posted a net profit of US$244.6 million in 2018, slightly down from its 2017 net profit of US$244.8 million.



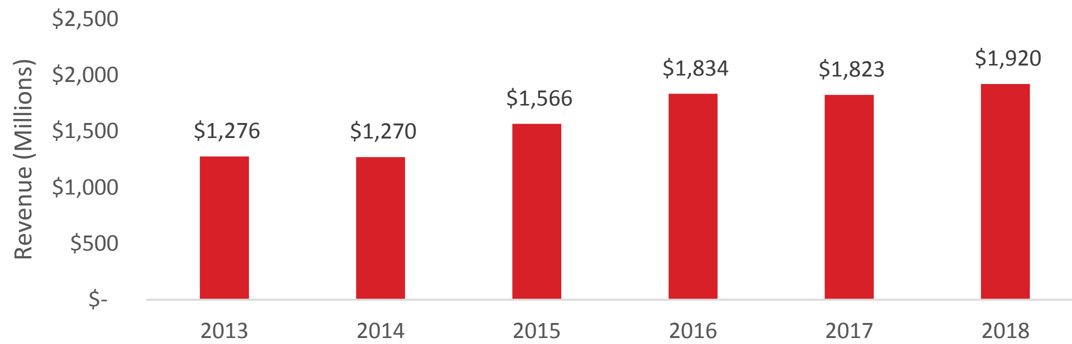
Source: ST Aerospace Annual Report 2013 - 2018

Several airlines also operate parts-trading business lines, with the largest being Air France–KLM and Lufthansa Technik. These airlines focus more on leasing spares to smaller airlines as part of a parts pool instead of selling parts outright. Profitability of these companies has increased over the past several years, with more aircraft being delivered and more startup airlines demanding spares and maintenance. In 2017, the revenue of Lufthansa Technik's commercial maintenance business was US$5.9 billion, up 9.5% from 2017.



Source: Lufthansa Annual Report 2013 - 2018

Air France–KLM also saw increased revenues over the past five years, with its MRO revenue reaching US$1.82 billion in 2017, up 50.5% since 2013.



Source: Air France-KLM Annual Report 2013 - 2018

With demand for MRO and spare parts services increasing, the spare parts market should remain stable in the midterm. Demand for these services should only increase as the aircraft in manufacturers' record breaking backlogs continue to be delivered.

IV. Parts Appraisal Methodology

In its Valuation Model, mba obtained third-party market data on the Component Inventory, including recent quote, number of vendors, number of components, avref price, etc. These Values are adjusted based on the market availability and component condition to reach a Current Market Value for each line item in the stated condition. In addition to its basic valuation methodology, mba:

i. Reviewed the parts inventory report supplied for the Client;
ii. Reviewed mba's internal database for relevant information with regards to the inventory to be valued;
iii. Checked other sources, such as manufacturers and aviation listing services, for current market transactions.

The Appraisal consisted of 25,526 Unique Line Items, totaling 2,930,563 rotable, repairable, and expendable parts in varied condition. The definition detailing the category of each part was provided by the Client; therefore, the market definition for each P/N was used in determining the category of each Line Item.

All information was provided by the Client from their inventory control system in MSExcel format. mba has extensively analyzed this data and relied upon the Client, in part, to derive the appraised values herein.

The following identifies the different classifications of the components.

The spare parts included in the Collateral fall into two categories, "Rotables," and "Non-Rotables." Non-rotables includes parts often described in the industry as "repairables" and "expendables" or "consumables." Rotables, Repairables, and Expendables are defined below.

Rotable Items[1]: A rotable item is defined as an item that can be economically restored to a serviceable condition and, in the normal course of operations, can be repeatedly rehabilitated to a fully serviceable condition over a period of time approximating the life of the flight equipment to which it is related. Examples include avionics units, landing gears, auxiliary power units, major engine accessories, etc.

Repairable Items[1]: A replaceable part or component, commonly economical to repair, and subject to being rehabilitated to a fully serviceable condition over a period of time less than the life of the flight equipment to which it is related. Examples include many engine blades and vanes, some tires, seats, and galleys.

Expendable Items[1]: Items for which no authorized repair procedure exists, and for which cost of repair would normally exceed that of replacement. Expendable items include nuts, bolts, rivets, sheet metal, wire, light bulbs, cable, and hoses.

mba was furnished with: Part Number, Part Description, Condition, Quantity, and Station Location.

[1] ISTAT Definition.

Inventory Data

The Component Inventory data was sent to third-party vendors to identify parts available in the secondary market. This process is performed for all spare parts. The scan for the 25,526 Unique Line Items returned over 55,000 data points for the inventory.

mba applied percentage discounts to List Price (OEM catalogue price) that represents its opinion of value and liquidity – Value-in-Use, and compared them to current market pricing by adjusting the components to a baseline value, and further discounted for the condition of parts based on market depreciation and demand. The resulting values represent the mba appraised value. Where sufficient market data was not available for the valuation of individual P/Ns.

Where no quote data or List Price was available in the market, a minimum Value analysis was applied to parts utilizing common nomenclature such as: spring, clip, bolt, nut, deal, packing, washer, rivet, bearing, bushing, lamp, placard, and screw. This method consisting of analyzing similarly identified components that returned Value data from the market and applying a discount to the average Value of each in order to assign a Conservative Value to these commonly named parts. The resulting Values represent the mba Appraised Value.

Component Condition

Components removed from an aircraft at part out are generally considered to be in an "as removed" condition with no repair station certifying documents other than the removal tag attached at removal. In the market, these components are considered to be less valuable as many operators require a certifying document such as an FAA 8130-3 or EASA Form One prior to installation validating, at a minimum, the serviceability of the unit. The most cost effective method by which a certification can be obtained is an appropriately authorized repair station performing a "bench check" or operational test of the component and completing a thorough inspection. The level of complexity for the "bench check" varies by component type as the requirements for the test to assure serviceability will vary. Components that are un-serviceable may then be repaired or overhauled to return them to service. Overhauled components are disassembled and returned as close as possible to new specifications while repaired components are returned to service.
The condition codes below were used in this Appraisal:

NE – New
NS – New Surplus
OH – Overhauled
AR – As Removed
USV – Unserviceable
SV – Serviceable

V. Audit

In order to verify the currency of the data provided for the Valuation, mba performed a virtual inspection utilizing Microsoft Teams software of the Component Inventory at Belo Horizonte/Confins – Tancredo Neves International Airport (CNF) and São Paulo/Congonhas–Deputado Freitas Nobre Airport (CGH) the week of July 20, 2020. The adjustments from this inspection will remain in place until another inspection is accomplished. At each inspection location, mba performed a statistical sampling of the Component Inventory for the purpose of determining the following:

- Presence of the Component;
- Correct Quantity of the Component;
- Correct Condition Specified;
- Correct and Accurate Documentation accompanying each Component (i.e. FAA 8130-3 and/or EASA Form One, Certificate of Conformance, etc.);
- An acceptable tracking mechanism for issuance and control of Components that are not present as reported during the inspection;
- The verification of the Client's ability to satisfactorily track components within its inventory management system and the accuracy of the data in the Client's inventory management system by conducting a spot check of 20 components and verifying the inventory management system accurately reflects those components.

The result of the statistical sampling is a stratification inspection proportionate to value in order to appropriately asses the rotable, repairable, and expendable portions of the inventory to a confidence level of 95.0%.

For this Report, mba performed a sampling inspection at two stations: CNF and CGH. As a result of the stratified sampling process a total of 403 line items were selected to sample using a random number generator: 288 line items at CNF and 115 at CGH, which were divided among rotable and non-rotable components according to proportion of value of the overall inventory. The sample list also included the top 20 spare part line items by value located at CNF and CGH.

The inspection yielded eight line items at CNF and one line item at CGH that were unable to be located, the actual condition of the component did not match the reported condition of the component, or for non-rotable items, the stocked quantity varied significantly from the quantity stated in the data supplied to mba. Six components at CNF were unable to be located by the Client, the condition of one component did not match the reported condition of the component, and the stocked quantity of one component varied significantly from the quantity stated in the data supplied to mba. The one component at CGH was unable to be located by the Client. Three line items at CNF that were unable to be presented are classified as rotable, while the other five are classified as non-rotable. The one line item unable to be presented at CGH is classified as rotable. The results of the inventory sampling inspection suggest that the Client is unable to produce 1.51% of its rotable inventory and 3.62% of its non-rotable inventory. mba reduced the market value of rotable parts by 1.51% and non-rotable parts by 3.62% as a result. This reduction in value is as a result of the inspection conducted over the weeks of July 20, 2020. This reduction will continue to be applied until mba conducts a further inspection of the Component Inventory. The amount of material that was unable to be located or reported incorrectly is what would be expected for an airline of GOL's size and other similar-sized operators observed by mba.

In addition, mba performed a random selection of ten components at each of the two stations that were not previously selected within the sample. To do this, the inspector selected 20 components of perceived high value at random directly from the storage locations and verified that information about the selected components was reflected in the inventory management system accurately. The intent of this random selection is to further verify the integrity of the inventory control system employed by the carrier. All parts and their accompanying paperwork randomly selected by the inspector were reflected accurately in GOL's inventory management system.

VI. Valuation

In developing the Values of the Component Inventory, mba performed a physical inspection sampling of inventory and documentation and relied on information supplied by the Client. The following information was independently verified by mba through the sampling inspection process for select components.

1. The components are in good overall condition;
2. The components in the Component Inventory are present as described by the Client;
3. All components are presently in the condition specified by the Client; and
4. Each component is only physically accompanied by a GOL service tag, however mba was provided evidence that each component identified as serviceable has a digital copy of a Certificate of Conformance, Agência Nacional de Aviação Civil (ANAC) Form SEGVOO 003, Federal Aviation Administration (FAA) 8130-3, and/or European Aviation Safety Agency (EASA) Form One certifying document. This is considered standard practice at an airline of GOL's size.

mba used certain assumptions that are generally accepted industry practice to calculate the value of the Component Inventory when more detailed information is not available.

The principal assumptions for the components in this portfolio are as follows:

1. There is no history of accident/incident or damage as not all records were verified during the sampling inspection; and
2. In the case of Market Value, no accounting is made for lease revenues, obligations, or terms of ownership unless otherwise specified.

Inventory Valuation (US$)			
Description	**Line Items**	**Pre-Audit Current Market Value**	**Post-Audit Current Market Value**
Rotable	15,288	$125,059,830	$123,171,427
Repairable	16,603	$16,222,436	$15,635,184
Expendable	66,456	$52,382,537	$50,486,289
Total Parts	**98,347**	**$193,664,803**	**$189,292,900**

VII. Covenants

This Report has been prepared for the exclusive use of Gol Linhas Aéreas Inteligentes S.A. and shall not be provided to other parties by mba without the express consent of Gol Linhas Aéreas Inteligentes S.A. mba certifies that this report has been independently prepared and that it fully and accurately reflects mba's and the signatory's opinion of the values of the Component Inventory as requested. mba further certifies that it does not have and does not expect to have any financial or other interest in the Component Inventory.

This Report represents the opinion of mba of the values of the Component Inventory as requested and is intended to be advisory only. Therefore, mba assumes no responsibility or legal liability for any actions taken or not taken by Gol Linhas Aéreas Inteligentes S.A. or any other party with regard to the Component Inventory. By accepting this Report, all parties agree that mba shall bear no such responsibility or legal liability.

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GOL