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Proposed Counsel for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
GOL LINHAS AÉREAS INTELIGENTES S.A., *et al.*,[1]	:	Case No. 24-10118 (MG)
Debtors.	:	(Joint Administration Requested)

DECLARATION OF JOSEPH W. BLILEY IN SUPPORT OF THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY PLEADINGS

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: GOL Linhas Aéreas Inteligentes S.A. (N/A); GOL Linhas Aéreas S.A. (0124); GTX S.A. (N/A); GAC, Inc. (N/A); Gol Finance (Luxembourg) (N/A); Gol Finance (Cayman) (N/A); Smiles Fidelidade S.A. (N/A); Smiles Viagens e Turismo S.A. (N/A); Smiles Fidelidade Argentina S.A. (N/A); Smiles Viajes y Turismo S.A. (N/A); Capitânia Air Fundo de Investimento Multimercado Crédito Privado Investimento no Exterior (N/A); Sorriso Fundo de Investimento em Cotas de Fundos de Investimento Multimercado Crédito Privado Investimento no Exterior (N/A); and Gol Equity Finance (N/A). The Debtors' service address is Praça Comandante Linneu Gomes, S/N, Portaria 3, Jardim Aeroporto, 04626-020 São Paulo, São Paulo, Federative Republic of Brazil.

I, Joseph Bliley, hereby declare under penalty of perjury:

1. I am the Chief Restructuring Officer of GOL Linhas Aéreas Inteligentes S.A. ("GOL"), one of the above-captioned debtors and debtors-in-possession (each, a "Debtor" and, collectively, the "Debtors"), and have served in this position since December 17, 2023. I have more than twenty-five years of experience in the financial sector and was most recently a Managing Director and Co-Head of Global Financial Services Investment Banking at Lincoln International, based in New York, NY. Previously, I held senior positions in Investment Banking at Stephens, Inc. and Bank of America where I was a Managing Director in the Corporate Finance and Restructuring group. Throughout my career I have worked with companies and their stakeholders in a variety of complex transactions, including recapitalizations, in court and out of court restructurings, mergers, divestitures, and initial public offerings. My experience is global, having worked in New York and Europe with companies throughout the world, including in Latin America.

2. The Debtors are (i) GOL, a company organized under the laws of Brazil and the direct or indirect owner of most of the Debtors; and (ii) affiliates and entities integral to GOL's corporate enterprise. On the date hereof (the "Petition Date"), the Debtors commenced voluntary cases (the "Chapter 11 Cases") under Chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Court").[2]

[2] Venue for the Debtors' Chapter 11 Cases is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409, due to, among other things, the fact that Gol Finance (Luxembourg) has bank accounts in New York, NY, has a retainer with Milbank held in New York, NY, and is an issuer under debt documents governed by New York law with forum selection clauses selecting U.S. federal courts sitting in Manhattan. Gol Finance (Luxembourg) has no operations or assets in the U.S. outside of New York. All of the other debtor entities, except Gol Equity Finance, are affiliates of Gol Finance (Luxembourg). Gol Equity Finance independently satisfies venue, as it has a retainer with Milbank held in New York, NY and is an issuer under debt documents governed by New York law with forum selection clauses selecting U.S. federal courts sitting in Manhattan.

PRELIMINARY STATEMENT

3. The Debtors are one of Brazil's largest domestic airlines by market share, one of the leading low-cost carriers in South America and, one of the largest low-cost carriers globally. Since they initiated operations in 2001, the Debtors have been a major driver behind recent growth in the Brazilian domestic and international travel market and are a market leader in passengers carried in Brazil's domestic market. With over 14,000 employees, the Debtors operate an extensive network focused on national and regional routes within Brazil and South America, with additional destinations in the United States and the Caribbean.

4. To date, more than half a billion passengers have been accommodated on the Debtors' flights, including over 30 million passengers in 2023 alone. The Debtors have fourteen codeshare agreements, including with major international airline carriers American Airlines, Air France, KLM, Emirates, Avianca, and Aerolíneas Argentinas, among others. Alongside these passenger air travel operations, the Debtors have recently launched dedicated cargo aircraft operations that already serve a high-profile customer base.

5. The Debtors are unique in the Brazilian travel market in their ability to provide affordable transportation to a large portion of Brazil's population. As the Brazilian middle class has grown in recent decades, so too have the Debtors, being well-positioned to respond to increased demand for travel in South and Central America. The Debtors have intentionally implemented their affordable business model: their all-Boeing 737 fleet services a highly integrated route network that is a combination of point-to-point and hub-and-spoke models, focused domestically on the high-traffic São Paulo, Rio de Janeiro, and Brasilia markets. With considerable flexibility from this route map, leading presence at key airports, and an efficient cost structure from their single narrow-body fleet, the Debtors' operating model affords the Debtors a meaningful operating cost advantage over other competing airlines.

6. Despite this successful operating model, the Debtors are facing liquidity challenges primarily brought on by the COVID-19 pandemic, as a result of which the Debtors, like all airlines globally, suffered unprecedented disruption to their business. During the pandemic, the Brazilian government did not offer direct financial support for the Debtors or for Brazil's broader travel industry as many other governments in the Americas, Europe, and Asia did. Accordingly, the volatility in operating cashflow caused by substantial decline in air travel demand, resulting operational impediments, and dramatic reduction in revenue and cash generation created significant liquidity and resource constraints during the pandemic years. To manage this, the Debtors reached agreements to defer certain lease, tax, and other regulatory obligations, as well as financial obligations related to extending and rolling-over funded debt maturities. The result was the continued successful operation of the Debtors' business in spite of these pandemic-related challenges, but with a substantial increase in deferred and unpaid liabilities. While the Debtors' operations have recovered following the pandemic and, as of today, the Debtors can fund their go-forward operating costs and certain required investments through operating cashflow, many of these legacy and deferred liabilities and accrued maintenance obligations remain outstanding and require cashflow servicing.

7. The Debtors have executed certain transactions and undertaken a number of other efforts to address these financial headwinds, many of which have provided temporary relief and much-needed liquidity at key points in time. Several market-driven factors continue to compound the Debtors' liquidity challenges including elevated fuel prices, the consistently low valuation of the Brazilian *real* (BRL) against the U.S. dollar (affecting the size of dollar-based costs against BRL-denominated revenues), and climbing interest rates, among others. Persistent supply chain disruptions and constrained capacity in the maintenance, repair, and overhaul (or "MRO") industry

have made it difficult to find timely provision of required maintenance, leading to a buildup of near-term required maintenance and related costs. Delays in the 2023 scheduled delivery of new aircraft have prevented the Debtors from placing new planes into service to offset those undergoing maintenance as described above. As a result, the Debtors have reduced the number of operationally-ready aircraft in the fleet and caused the Debtors to be unable to increase or even maintain their operating capacity (measured in available seat kilometers, or "ASKs"). These operational limitations, in turn, have reduced revenue and cash generation, exacerbating the liquidity constraints and operational challenges.

8. As a result, the Debtors filed these Chapter 11 Cases to obtain an organized and efficient forum in which to reach agreements with all key stakeholders, deleverage the Debtors' balance sheet, improve liquidity, and emerge as a stronger enterprise equipped with the resources to maintain and grow their operating capacity. The Debtors' advisors and management anticipate strong business prospects going forward.

9. To minimize any adverse effect on their business of seeking chapter 11 protection, the Debtors have filed motions requesting various types of "first day" relief (collectively, the "First Day Pleadings"). This relief is necessary to enable the Debtors to continue to provide service to their customers and maintain operations with minimum disruption.

10. This declaration is submitted pursuant to Local Bankruptcy Rule 1007-2 to apprise the Court and parties in interest of the circumstances that compelled the commencement of these Chapter 11 Cases and in support of the Debtors' chapter 11 petitions (the "Petitions") and the relief requested in the First Day Pleadings. This declaration is organized as follows:

- **Section I** describes the nature of the Debtors' business.
- **Section II** describes the Debtors' current capital structure.

- **Section III** describes the circumstances that compelled the commencement of these Chapter 11 Cases, the Debtors' need for chapter 11 relief, and the Debtors' go-forward restructuring plan.
- **Section IV** contains a summary of the First Day Pleadings.
- **Exhibit A** contains a structure chart for the Debtors.
- The information required by Local Bankruptcy Rule 1007-2 is found throughout the declaration and the schedules attached as Exhibits hereto.

11. Except as otherwise indicated herein, the facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by my employees and advisors working under my supervision, or my opinion based upon my experience, knowledge, and information concerning the Debtors' operations and the airline industry. Unless otherwise indicated, the financial information contained herein, and in the schedules attached hereto, is unaudited and provided on a consolidated basis for the Debtors.

I. DEBTORS' CORPORATE HISTORY AND BUSINESS OPERATIONS

12. The Debtors were founded in 2000 and initiated operations in 2001 when founder Constantino de Oliveira Junior pioneered the low-cost carrier concept in Brazil, seeking to bring competitively priced air travel options to Brazilians. For more than two decades, the Debtors have successfully done just that.

13. The Debtors have been foundational to the growth of air travel in Brazil. Between 2001 and 2019 (the pre-pandemic years), Brazil's domestic passenger market grew 3.2x, from 30.8 million passengers in 2001 to 95.3 million in 2019 (in 2023, there were over 83 million domestic passengers). Today, Brazil presents the fifth largest worldwide domestic air travel market.

14. The Debtors have grown to become one of Brazil's three largest domestic airlines by market share, one of the leading low-cost carriers in South America and one of the largest low-cost carriers globally. The Debtors serve over sixty domestic destinations and twelve destinations

in seven countries outside of Brazil. In addition to their own route network, the Debtors maintain a variety of agreements with other airlines to offer their passengers more choices when traveling to international destinations. The Debtors operate a frequent flyer program under the Smiles brand and provide air freight services under the GOLLOG brand.

A. Overview of the Debtors' Operations

15. The Debtors mainly offer domestic scheduled flights targeting both corporate and leisure travelers. The Debtors maintain a strong presence in urban premium markets, including São Paulo, Rio de Janeiro, and Brasilia, serve select international markets, and maintain relationships with other airlines to provide more choices to their passengers. In addition, the Debtors generate revenue through the Smiles loyalty program and through GOLLOG cargo and courier transportation operations.

B. The Debtors' Employees

16. As of December 31, 2023, the Debtors had a total of 14,519 employees. These employees can be categorized as follows:

Category	Number of Employees
Airport Employees	4,082
Flight Attendants	2,830
Maintenance	2,486
Administrative	1,876
Pilots and Copilots	1,590
Call Center	678
Cargo (GOLLOG)	399
Loyalty (Smiles)	303
Operational Control Center	275
Total Employees	**14,519**

17. The Debtors guarantee the right for employees to join a labor union and for collective bargaining and the employees are represented by eleven unions. A national aviators' union represents Brazil's pilots and flight attendants, and other regional aviation unions represent ground employees of air transportation companies. Approximately one-third of the Debtors' employees are members of unions. Negotiations regarding cost-of-living wages and salary increases are conducted annually between the workers' unions and a national association of airline companies. There is no salary differential or seniority pay escalation among the Debtors' pilots. Work conditions and maximum work hours are regulated by government legislation and are not the subject of labor negotiations. Since the commencement of the Debtors' operations, there has not been a work stoppage initiated by its employees. The Debtors are committed to compliance with all collective bargaining agreements with their employees and related unions.

18. The Debtors also provide a profit sharing program to all of their employees. Under Brazilian law, companies may provide profit sharing programs that define mechanisms for distributing a portion of a company's profits based upon the achievement of pre-defined targets

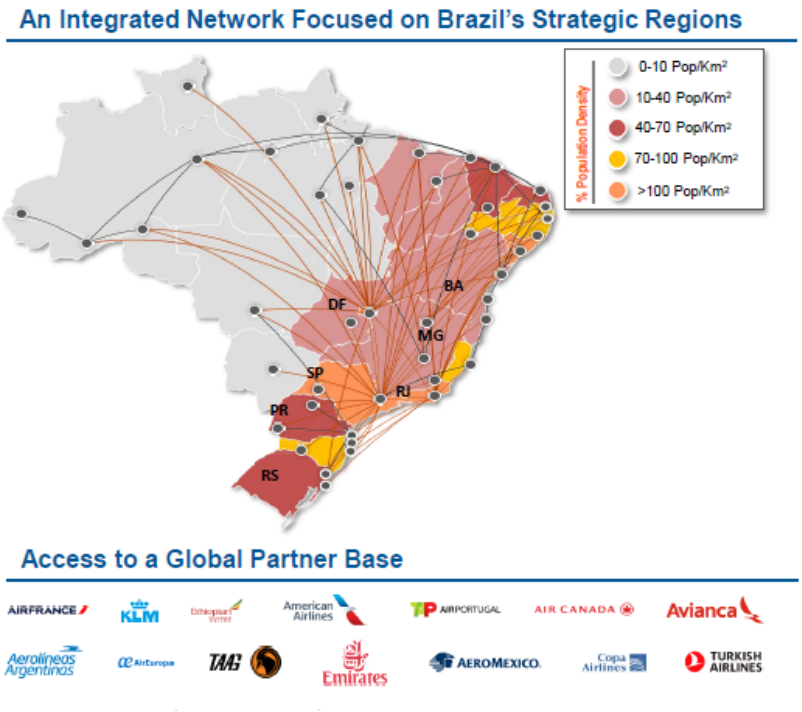
established by the company. The Debtors' profit sharing programs are negotiated with a commission formed by the Debtors' employees and approved by labor unions for the benefit of all of the Debtors' unionized and non-unionized employees. For the purposes of the Debtors' profit sharing program, a portion of profit sharing distributions are based on the achievement of corporate profit targets and a portion of the distributions are based on the achievement of operational targets set for each department.

C. Debtors' Route Network

19. As of January 2024, the Debtors' network comprises over sixty domestic destinations in Brazil and twelve international destinations in Argentina, Bolivia, the Dominican Republic, Paraguay, Suriname, the United States, and Uruguay. The Debtors' domestic network is focused on the large urban markets of São Paulo, Rio de Janeiro, Brasilia, and Salvador. The Debtors offer approximately 630 domestic flights per day.

20. In São Paulo, the Debtors operate out of the city's two main airports (Congonhas–Deputado Freitas Nobre Airport and Guarulhos–Governor André Franco Montoro International Airport) and offer approximately 200 daily departures from these two airports. In Rio de Janeiro, the Debtors offer flights from both Galeão–Antonio Carlos Jobim International Airport and Santos Dumont Airport, totaling approximately eighty-five daily departures across both airports. From Brasilia and Salvador, the Debtors offer approximately fifty-five and forty daily departures, respectively.

21. The Debtors' domestic network offers significant connectivity between Brazilian regions, high frequencies at preferred airports, and a strong presence in the highest demand markets. Unlike many other low-cost carriers, GOL offers a combination of hub-and-spoke and point-to-point flights. This combination allows GOL to quickly respond to changes in customer preferences and to achieve high aircraft utilization and load factors.



22. Internationally, the Debtors' network offers approximately twenty-three daily roundtrips. The Debtors serve five cities in Argentina, two cities in the United States, and one city each in Uruguay, Bolivia, Paraguay, the Dominican Republic, and Suriname. The international cities served constitute a mix of popular business destinations (*e.g.*, Buenos Aires) and leisure destinations (*e.g.*, Orlando). In total, the Debtors maintain over thirty international routes. The Debtors plan to expand their international operations by taking advantage of their partnership with Avianca and by utilizing the extended range capabilities of the new 737 MAX 8 aircraft.

23. In addition to the Debtors' own network, the Debtors have fourteen codeshare agreements with Aerolíneas Argentinas, AeroMéxico, Air Canada, Air Europa, Air France, American Airlines, Avianca, Copa Airlines, Emirates, Ethiopian Airlines, KLM, TAAG, TAP, and Turkish Airlines, fourteen frequent flyer agreements, and forty interline and electronic ticketing agreements. The Debtors also maintain strategic partnerships with American Airlines, Air France-KLM, and Avianca. The Debtors' partnership with Air France-KLM, which dates back to 2014

and was recently extended for another ten years, provides for connectivity to approximately sixty European and forty-five Brazilian destinations. This agreement further includes a maintenance cooperation with Air France Industries KLM Engineering & Maintenance, which supports CFM56 and LEAP engines in the Debtors' fleet. And in 2023, the Debtors entered a partnership with Colombia-based Avianca that will lead to improved connectivity between South America and each of Central America, North America, and the Caribbean.

D. Passenger Revenues

24. Passenger revenue primarily comprises ticket sales including revenue from redemption of miles under its Smiles loyalty program. Ancillary revenue contributing to passenger revenue includes additional charges that are billed to passengers, such as revenues from on-board sales, ticket change fees, excess baggage charges, on-board Wi-Fi, and various other services.

25. The Debtors' passenger revenue represented above 90% of their total revenue in each of 2021, 2022, and 2023.

E. Smiles

26. Smiles, the Debtors' loyalty program with over 22 million members as of December 31, 2023, provides significant revenue for the Debtors through the redemption and expiration of frequent flyer miles. Smiles creates incentives for customers to book air travel, boosting ticket sales and the number of repeat customers. Smiles members are responsible for approximately 20% of total passenger revenue.

27. The Smiles program allows members to accumulate miles through (i) flights with GOL and the Debtors' international airline partners; (ii) using credit cards issued by any of the significant Brazilian commercial banks, including through co-branded cards from Banco Bradesco, Banco do Brasil and Santander; (iii) purchases at a broad network of retail partners, including Localiza (the largest car rental agency in Brazil), global hotel chain Accor Hotels, and

popular hotel booking site Rocketmiles, among others; (iv) direct purchases of miles to book travel; and (v) purchases of miles and benefits through Clube Smiles. GOL is Smiles' primary redemption partner, but members may also redeem miles for products and services from other commercial partners.

F. Cargo

28. The Debtors operate Brazil's third largest cargo airline, GOLLOG, which generates revenue using cargo space on regularly scheduled passenger aircraft. With approximately 26% market share in 2023 as measured by domestic available ton kilometers (or "ATKs"), the Debtors' cargo revenues almost doubled in 2023 as compared to 2022, representing approximately 5% of the Debtors' gross revenue in 2023. The Debtors' cargo business has grown at higher rates than its passenger travel business, largely because the Debtors have an excellent and diversified base of clients in the business-to-business segment and e-commerce markets and are well-positioned to support this market's expected growth. The Debtors are committed to delivering quality logistic solutions and expect the cargo business will be an increasingly important contributor to their financial performance.

29. Additionally, in the second half of 2022, the Debtors began cargo operations under a ten-year commercial agreement with Mercado Livre, which operates marketplaces for e-commerce and online auctions. These cargo operations, which are part of the ongoing investment to serve the needs of the growing Brazilian e-commerce market, will rely on a dedicated freighter fleet of Boeing 737-800 BCF, the first of which the Debtors received and began operating in 2022 and 2023. The Debtors plan to further expand this fleet.

G. Fleet Plan

30. The Debtors operate a single narrow-body fleet—all Boeing 737 aircraft—that provides significant operational flexibility. Since 2001, the Debtors have forged a strong

relationship with Boeing, which allows the company to obtain favorable terms on pricing and delivery. The Debtors currently operate fifteen Boeing 737-700 aircraft, forty-five Boeing 737 MAX 8 aircraft, seventy-five Boeing 737-800 aircraft, and six Boeing 737-800 freighters. Indeed, the Debtors received and accepted a new Boeing 737 MAX 8 only days before the petition date.

31. By operating only Boeing 737 aircraft, the Debtors are able to maximize scheduling, maintenance, and operating efficiencies. This fleet type also improves network flexibility and achieves higher utilization. The Debtors have focused their planned future fleet on prioritizing these efficiencies; the Debtors' future orders are for only Boeing 737 MAX aircraft, several of which are scheduled to be delivered within the next few months.[3] Most of the Debtors' aircraft are under operating leases with approximately twenty-two different lessors.

32. The following chart depicts the Debtors' current fleet composition:

H. Competition

33. The Debtors face intense competition on all operating routes from existing scheduled airlines, charter airlines, and potential new participants in the market. Competition from other airlines has a greater impact on the Debtors when compared to competitors because the Debtors have a greater proportion of flights connecting Brazil's busiest airports, where competition is more intense. In contrast, some of the Debtors' competitors have a greater proportion of flights connecting less busy airports, where there is little or no competition.

34. The Brazilian airline industry also faces competition from ground transportation alternatives, such as interstate buses. Further, the Brazilian government and regulators could give

[3] The Debtors' future orders do not include any Boeing 737 MAX 9 aircraft.

preference to new or existing market participants when granting new and current slots in Brazilian airports in order to promote competition.

35. In the past, existing and potential competitors have undercut the Debtors' fares and increased capacity on their routes in an effort to increase their market share of business traffic, which is a high value-added customer base. Low-cost carrier business models have been gaining increasing momentum in the Latin American aviation market in recent years. The recent successes of other low-cost carriers—including Wingo in Colombia, Azul in Brazil, Viva Aerobus and Volaris in Mexico, and Sky Airline and JetSMART in Chile—continue to penetrate the Debtors' home market. Significant and lasting downward pressure on fares—including pressure from the Brazilian government to lower air fares—could compel the Debtors to continue to further adapt their business model to evolving passenger preferences.

36. The Debtors have already faced, and may in the future face, increased competition from existing and new participants in the markets in which they operate, including full-service and low-cost carriers. The air transportation sector is highly sensitive to price discounting and the use of aggressive pricing policies. Other factors, such as flight frequency, schedule availability, brand recognition, and quality of offered services (such as loyalty programs, VIP airport lounges, in-flight entertainment, and other amenities) also have a significant impact on market competitiveness.

I. Strengths Going Forward

37. Despite these various challenges, the Debtors are well-positioned to succeed going forward. The Debtors will build on the core strengths of their existing business, including their market leadership position in the Brazilian domestic market, the Debtors' strong brand and partnerships, their prominent position at key hubs in São Paulo, Rio de Janeiro, and Brasilia, and

the strength of the Smiles program, to emerge from these Chapter 11 Cases as an elite competitor in the global airline marketplace for years to come.

38. Their ongoing fleet renewal program will provide the Debtors with a fleet that is more fuel efficient, requires less capital-intensive maintenance for the initial years of operation, provides higher operational reliability, and offers additional cost savings. In particular, the Debtors' projected fleet will have a relatively large number of seats per aircraft; this will allow the Debtors to reduce their operating costs per flight, as many direct costs are fixed regardless of the size of the aircraft (for example, pilot and crew salaries).

39. The Debtors already have an attractive cost structure, with per-flight costs below those of their domestic competitors. By increasing both the operationally available fleet and the seat capacity thereon, the Debtors will be able to achieve even greater scaling of their fixed costs. As of today, the Debtors generate operating margins near the top of their industry; the long-term elements of the Debtors' model support this performance and remain in place despite the negative financial pressures described herein.

40. Significantly, the Debtors' network includes valuable positions in slot-controlled airports preferred by corporate and high-yield leisure travelers, which will continue to provide the Debtors a significant competitive advantage. For example, Congonhas Airport in São Paulo and Santos Dumont Airport in Rio de Janeiro are close to the cities' business centers; accordingly, these are the preferred airports for travelers between these two urban centers. Neither airport is likely to add many slot positions into which other airlines could expand, which enhances the strategic value of the Debtors' existing airport slot portfolio.

41. The Debtors are also positioned to benefit from the increased demand for international travel. The 737 MAX exhibits increased range capabilities over prior aircraft,

enabling the Debtors to offer more international destinations while maintaining the efficiencies of an all-737 fleet. Further, the Debtors maintain strong partnerships that facilitate international travel for GOL passengers and create important cost and revenue synergies: the Avianca partnership will allow the Debtors to continue to capture a larger share of the market between Brazil, Central and North America, and the Caribbean; the Air France-KLM strategic alliance provides additional passenger revenue through reciprocal codesharing for travelers to and from Europe as well as providing cost savings from cooperation on engine maintenance services; the long-term partnership with Mercado Livre will allow the Debtors' cargo business to benefit from the fast-expanding Latin American e-commerce market and to diversify its revenue sources.

42. Smiles will continue to play a key role in generating revenue, raising brand awareness and value, and establishing customer loyalty. Through its partnerships with Brazilian financial institutions, travel companies, and retailers, the Smiles loyalty network includes over 22 million customers who create above average per customer revenues for the Debtors.

43. Finally, the Debtors' experienced and innovative management team has brought low-cost travel to Brazilians for twenty-three years and is committed to serving its customers well into the future. The management team has served the Debtors, on average, for over twenty years, and brings with it backgrounds in finance, banking, aircraft and fleet operations, supply chain management, financial planning, and Brazilian regulatory and legal matters. The Debtors' management team is well-regarded throughout the industry for high profit margins, the early adoption of new technologies, and impressive rankings in customer service; the team brought the airline through the pandemic with limited support from the government and has been active in finding creative solutions with the airline's many stakeholders and partners. This management team has been and will continue to be invaluable to the Debtors' business.

II. CORPORATE AND CAPITAL STRUCTURE

A. Corporate Structure

44. GOL Linhas Aéreas Inteligentes S.A. (GOL) is a holding company that directly or indirectly owns shares of nine subsidiaries. Four of GOL's subsidiaries are incorporated in Brazil: Debtors (i) GOL Linhas Aéreas S.A. ("GLA"); (ii) Smiles Viagens e Turismo S.A.; (iii) Smiles Fidelidade S.A. and (iv) GTX S.A. Five other subsidiaries are incorporated elsewhere: Debtors (i) Gol Finance (Cayman Islands), (ii) GAC, Inc. (Cayman Islands), (iii) Gol Finance (Luxembourg), (iv) Smiles Fidelidade Argentina S.A. (Argentina), and (v) Smiles Viajes y Turismo S.A (Argentina). Debtor Gol Equity Finance is owned by Stichting Holding GOL Equity Finance, a Dutch foundation.[4]

45. GOL's primary operating subsidiary is GLA, under which the Debtors conduct their air transportation business.[5] Gol Finance (Cayman), GAC, Inc., and Gol Finance (Luxembourg) facilitate cross-border general financing and aircraft financing transactions; Smiles Fidelidade S.A. and Smiles Fidelidade Argentina S.A. serve the Smiles business, the Debtors' loyalty program; Smiles Viagens e Turismo S.A. and Smiles Viajes y Turismo S.A. are travel agencies; and GTX S.A. is a holding company (with currently no equity holdings). Gol Equity Finance is the issuer of certain of the Debtors' convertible bonds. GOL is the direct and indirect parent company of the Debtors' entire corporate enterprise except for Gol Equity Finance.

46. GOL is a Brazilian limited liability company and a public reporting company under section 12(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). GOL's preferred

[4] Stichting Holding GOL Equity Finance does not have capital divided in shares and does not have any owners.

[5] GLA is the sole quotaholder of two Brazilian investment funds, Debtors (i) Capitânia Air Fundo de Investimento Multimercado Crédito Privado Investimento no Exterior ("AirFim"), which carries out hedging activities, and (ii) Sorriso Fundo de Investimento em Cotas de Fundos de Investimento Multimercado Crédito Privado Investimento no Exterior ("Fundo Sorriso"), a cash management vehicle.

shares are traded under the symbol "GOLL4" on B3 S.A. (Brasil, Bolsa, Balcão, the São Paulo Stock Exchange). GOL also has American Depository Receipts ("ADRs") issued through The Bank of New York Mellon, as depositary bank, which ADRs represent preferred shares and are traded under the symbol "GOL" on the New York Stock Exchange.[6] The ADRs commenced trading on the NYSE on June 24, 2004. As of December 31, 2023, GOL had 2,863,682,500 shares of common stock outstanding and 337,480,652 shares of preferred stock outstanding (including preferred shares represented by ADRs and 50,112 preferred shares held by GOL as treasury shares).

47. Abra Group Limited ("Abra"), a company formed by an agreement between the controlling shareholder of GOL and the principal shareholders of Avianca Group International Limited ("Avianca"), has a 53% economic interest in GOL. In March 2023, Abra closed a private placement with investors in Abra and concurrently closed Abra's private investment in GOL (the "Abra Transaction"), discussed further below in Section II.B.

48. An organizational chart showing the Debtors' organizational structure is annexed hereto as **Exhibit A**.

B. Capital Structure

49. As of December 31, 2023, on a consolidated basis, the Debtors' balance sheet reflected assets and liabilities of approximately $3.5 billion and $8.3 billion, respectively, and negative stockholders' equity of approximately $4.8 billion.

[6] Each ADR represents two (2) preferred shares with no par value. GOL's preferred shares are generally non-voting shares; under certain limited circumstances provided for under GOL's bylaws, however, holders of GOL's preferred shares may be entitled to vote. GOL's preferred shares also have certain dividend rights, a liquidation preference, and other protections.

50. As of December 31, 2023, on a consolidated basis, the Debtors had approximately $4.2 billion of outstanding funded indebtedness and lease obligations,[7] of which approximately $2.1 billion was secured by certain assets of the Debtors. The Debtors' secured financings encumber a substantial portion of their assets, including (i) certain trademarks and other intellectual property owned by the Debtors, (ii) aircraft engines and spare parts, and (iii) certain credit card receivables from the sale of airfare and receivables from the sale of loyalty program mileage points. An overview of the Debtors' indebtedness follows:

i. Secured Debt

(a) 2026 Senior Secured Notes

51. On December 23, 2020, the Debtors issued $200 million in aggregate principal amount of 8.00% senior secured notes maturing June 30, 2026 (the "2026 Senior Secured Notes"). On May 11, 2021 and on September 28, 2021, the Debtors issued $300 million and $150 million in aggregate principal amount of additional 2026 Senior Secured Notes, respectively. The 2026 Senior Secured Notes are secured by a fiduciary assignment[8] of certain spare parts and the intellectual property of GOL. As of December 31, 2023, the aggregate principal amount of the 2026 Senior Secured Notes outstanding is $251.2 million.

(b) 2028 Senior Secured Exchangeable Notes and 2028 Senior Secured Notes

52. On March 2, 2023, in connection with the Abra Transaction, the Debtors issued to Abra an aggregate principal amount of $896,664,000 of senior secured notes maturing in 2028 (the "2028 Senior Secured Notes") that accrue interest at the rate of 18.00%, comprising 4.50% cash

[7] The Debtors' remaining liabilities include obligations owed to suppliers, labor obligations, taxes and fees, obligations under the Smiles loyalty program, and certain obligations under derivatives, among others.

[8] A fiduciary assignment is a type of secured interest in collateral under Brazilian law.

interest and 13.50% PIK interest. The 2028 Senior Secured Notes are secured by a fiduciary assignment of certain intellectual property and other assets related to the Smiles loyalty program, intercompany claims, loans and obligations, all shares of Smiles Fidelidade S.A., and, on a *pari passu* basis, all collateral securing the 2026 Senior Secured Notes. From March 2023 to September 2023, the principal amount of 2028 Senior Secured Notes was increased by cash disbursements from Abra to the Debtors and accrued interest to a total of $1,292,879,000 of 2028 Senior Secured Notes effectively issued. In September 2023, as contemplated by the Abra Transaction, $1,180,442,000 in principal amount of the 2028 Senior Secured Notes were substituted for the same principal amount of senior secured exchangeable notes due 2028 (the "2028 Senior Secured Exchangeable Notes") carrying substantially identical interest and security terms as the 2028 Senior Secured Notes. The 2028 Senior Secured Exchangeable Notes are exchangeable into preferred shares of GOL subject to certain conditions. All 2028 Senior Secured Notes and 2028 Senior Secured Exchangeable Notes are held by Abra's wholly owned subsidiary, Abra Global Finance. As of December 31, 2023, the aggregate principal amount of 2028 Senior Secured Notes and 2028 Senior Secured Exchangeable Notes outstanding is $252.4 million and $1.207 billion, respectively.

(c) Secured Amortizing Notes

53. On December 30, 2022, the Debtors issued $125,699,947.99 in aggregate principal amount of 5.00% senior secured amortizing notes due 2026 (the "2026 Senior Secured Amortizing Notes") and $70,077,902.47 in aggregate principal amount of 3.00% subordinated secured amortizing notes due 2025 (the "2025 Subordinated Amortized Secured Notes" and, together with the 2026 Senior Secured Amortizing Notes, the "Amortizing Notes"). The Amortizing Notes were issued in exchange for the full release of certain aircraft

lease payment obligations under deferral agreements and certain other obligations that the participating aircraft lessors chose to exchange for the Amortizing Notes.

54. The 2026 Senior Secured Amortizing Notes amortize in ten equal quarterly installments ending on June 30, 2026; the 2025 Subordinated Amortized Secured Notes amortize in nine equal quarterly installments ending on June 30, 2025. The 2025 Subordinated Amortized Secured Notes are contractually subordinated to the 2026 Senior Secured Amortizing Notes. The Amortizing Notes are secured by a fiduciary assignment of receivables under a partnership agreement for sale of mileage points under the Smiles loyalty program and proceeds of the receivables deposited in a secured account.

55. On January 27, 2023, and July 19, 2023, the Debtors issued additional 2026 Senior Secured Amortizing Notes in aggregate principal amounts of $6,992,575.20 and $8,969,737.96, respectively. On April 20, 2023, and June 7, 2023, the Debtors issued additional 2025 Subordinated Secured Amortizing Notes in aggregate principal amounts of $19,976,057.79 and $9,000,000.00, respectively. As of December 31, 2023, the aggregate principal amount of 2026 Senior Secured Amortizing Notes and 2025 Subordinated Secured Amortizing Notes outstanding is $141.7 million and $66.0 million, respectively.

(d) Debentures

56. On October 28, 2018, April 16, 2020, and October 1, 2020, the Debtors issued, in three series, their seventh issuance of debentures in aggregate principal amount of approximately $177,230,609 (the "7a Debentures").[9] On October 27, 2021, the Debtors issued their eight issuance of debentures in aggregate principal amount of approximately $121,858,176 (the

[9] Debentures issued in the Debtors' first through sixth issuances of debentures are no longer outstanding.

"8a Debentures" and, together with the 7a Debentures, the "Debentures").[10] During the third quarter of 2023, the terms of the Debentures were amended with the consent of the holders thereof to make amendments to the terms of repayment and security provided thereunder. The Debentures accrue interest at the rate of variation of the Brazilian interbank deposit certificate (the CDI rate) plus 5.00% and are secured by a fiduciary assignment of certain Visa credit card and debit card receivables. The Debentures are amortized in monthly installments ending on June 27, 2026. As of December 31, 2023, the aggregate principal amount of the 7a Debentures and the 8a Debentures outstanding is $87.8 million and $95.2 million, respectively.

(e) Other Secured Debt

57. From time to time, the Debtors issue credit lines with private banks using import spare parts and aeronautical equipment, or import financing (the "FINIMPs"). The Debtors have two FINIMPS outstanding. The Debtors issued FINIMPs on December 2017 (the "2017 FINIMP") and January 2018 (the "2018 FINIMP"), which accrue interest at 14.75% and 14.67% respectively. Each FINIMP is secured by a bank deposit certificate pledged as a guarantee, and is amortized in five monthly installments through May 2024. As of December 31, 2023, the Debtors have $5.3 million in FINIMPs outstanding.

58. In August and September 2022, the Debtors issued secured bank credit notes (*Cédulas de Crédito Bancário*) in the principal amount of approximately $14 million and $8 million (the "Secured CCBs"). The first series of Secured CCBs accrues interest at the CDI rate plus 4.70%, is amortized in monthly installments ending on February 29, 2024, and is secured by a fiduciary assignment of American Express credit card receivables. The second series of Secured

[10] The Debentures are debt instruments denominated in BRL. The amounts in BRL have been translated into USD at the rate of R$5.0076 to US$1.00, which was the USD selling rate as reported by the Brazilian Central Bank as of September 30, 2023.

CCBs accrues interest at 18.53%, is amortized in monthly installments ending on September 20, 2024, and is secured by a bank deposit certificate which is pledged as a guarantee. As of December 31, 2023, the Debtors have $7.1 million in Secured CCBs outstanding.

ii. Unsecured Debt

(a) 2024 Senior Exchangeable Notes

59. On March 26, 2019, the Debtors issued $300 million in aggregate principal amount of 3.75% unsecured senior exchangeable notes due July 15, 2024 (the "2024 Senior Exchangeable Notes"). On April 17, 2019, and July 22, 2019, the Debtors issued an additional $45 million and $80 million, respectively, in aggregate principal amount of 2024 Senior Exchangeable Notes. The 2024 Senior Exchangeable Notes are exchangeable into preferred shares of GOL subject to certain conditions. As of December 31, 2023, the aggregate principal of the 2024 Senior Exchangeable Notes outstanding is $42.1 million.

(b) 2025 Senior Notes

60. On December 11, 2017, the Debtors issued $500 million in aggregate principal amount of 7.00% unsecured senior notes due January 31, 2025 (the "2025 Senior Notes"). On February 2, 2018, the Debtors issued an additional $150 million in aggregate principal amount of 2025 Senior Notes. As of December 31, 2023, the aggregate principal of the 2025 Senior Notes outstanding is $342.4 million.

(c) Perpetual Notes

61. On April 5, 2006, the Debtors issued $200 million in aggregate principal amount of 8.875% unsecured perpetual notes (the "Perpetual Notes"). As of December 31, 2023, the aggregate principal of the Perpetual Notes outstanding is $138.6 million.

(d) Bank Credit Notes (Cédula de Crédito Bancário)

62. In October 2020, the Debtors issued an unsecured bank credit note (*Cédulas de Crédito Bancário*) in the principal amount of approximately $2 million (the "CCB"). The CCB accrues interest at the CDI rate plus 4.907% and is amortized in monthly installments ending on October 23, 2025. As of December 31, 2023, the Debtors have $0.9 million of the CCB outstanding.

(e) Air France-KLM Unsecured Credit Facility

63. On November 2023, the Debtors issued a $25 million credit facility with Air France-KLM (the "AF-KLM Credit Facility"). The AF-KLM Credit Facility carries no interest. One series of the AF-KLM Credit Facility was scheduled to amortize over ten monthly installments through October 2024. A second series of the AF-KLM Credit Facility was scheduled to amortize over twelve equal monthly installments through November 2024. As of December 31, 2023, the Debtors have approximately $22.2 million of the AF-KLM Credit Facility outstanding.

(f) Trade Payables

64. As of December 31, 2023, the Debtors have approximately $448.8 million of trade payables outstanding.

(g) Aircraft and Engine Leases

65. As of the Petition Date, the Debtors operate 141 aircraft under lease agreements, pursuant to which the Debtors are required to make monthly lease payments and certain other obligations, which may include the maintenance, servicing, and insurance expenses, and comply with specified return conditions of the leased aircraft. As of December 31, 2023, the Debtors had 64 spare engines under lease agreements, pursuant to which the Debtors are required to, subject to certain exceptions, make lease rental payments and to bear the maintenance expenses and comply with the return conditions of each engine. As of December 31, 2023, the Debtors' lease obligations

aggregated to approximately $1.95 billion, with approximately $360 million due payable over the next twelve months.

66. From time to time, the Debtors enter into letters of credit with certain lessors in support of their lease obligations. Certain of these letters of credit are cash collateralized. As of December 31, 2023, these letters of credit totaled $84.7 million, of which $27.4 million are cash collateralized.

(h) Other Unsecured Debt

67. As of December 31, 2023, the Debtors owe the Brazilian air traffic control agency—Departamento de Controle do Espaço Aéreo (DECEA)—approximately $227 million on account of certain navigation fees incurred during the COVID-19 pandemic.

III. CHAPTER 11 CASES

A. Events Leading to Commencement of Chapter 11 Cases and the Debtors' Need for Chapter 11 Relief

68. The Debtors' business is profitable and operationally successful; they are able to make current lease payments, and revenues generated from flights flown are generally in excess of the costs incurred to operate those flights. But increased costs and reduced availability of financing have reduced the Debtors' ability to service legacy liabilities and to make required investments, resulting in a substantial near-term liquidity need that ongoing operations alone are insufficient to satisfy. Further, the Debtors view the foreseeable operating outlook as favorable, but they are unable to make the appropriate growth investments to support the long-term prospects of the business. These Chapter 11 Cases are filed to enable the Debtors to satisfy these outstanding obligations in an orderly fashion, while ensuring continued service to customers by maintaining the current size of the operating fleet, route network, and employee census. These measures will support value for all of the Debtors' stakeholders without interruption.

69. Significant legacy factors that have led to the current financial environment are detailed immediately below.

70. ***Boeing 737 MAX 8 Grounding.*** Although the most significant component of the economic shocks resulting in the Debtors' current liquidity crisis was the COVID-19 pandemic, discussed below, certain factors began even before the events of 2020. The most notable of these was the temporary grounding of Boeing 737 MAX 8 aircraft in 2019. As discussed above, the Debtors employ a single narrow-body fleet to provide maximum operational flexibility and efficiency: the Boeing 737. In 2018, the Debtors took delivery of their first seven Boeing 737 MAX 8 aircraft; in 2019, however, this model was temporarily grounded by more than fifty regulators worldwide, preventing the Debtors from deploying their newest aircraft and forcing them to increasingly rely on older aircraft to meet their operational needs. This led to increased near-term maintenance and servicing on the older aircraft, creating greater demands on cash and affecting planned capacity, and prevented the Debtors from realizing certain expected efficiencies and financial opportunities anticipated in connection with the newer aircraft.

71. The 737 MAX 8 model was cleared to return to service in late 2020. The Debtors took delivery of a number of this model, reaching a total of thirty-six new 737 MAX 8 aircraft by the end of 2022. These newer aircraft have increased the Debtors' operational efficiency and enabled them to return and retire certain older aircraft. But lags introduced by the twenty-month grounding of the 737 MAX 8 aircraft—and exacerbated by the COVID-19 pandemic—remain. And recent delays in the delivery of new aircraft expected in 2023 have only further delayed the planned modernization of the fleet.

72. ***COVID-19 Pandemic.*** The global COVID-19 pandemic, beginning in 2020, had severe effects on the Debtors' business. At the worst point during the pandemic, the Debtors

operated fewer than fifty daily flights, representing a 90% decline from pre-pandemic levels—which resulted in significant negative operating cashflow. In addition to this liquidity shortfall, the Debtors lost access to lines of credit and were forced to temporarily pause certain scheduled heavy maintenance, primarily on engines. The government of Brazil, unlike certain other countries, did not provide direct monetary support to airlines; accordingly, the Debtors did not have access to any direct financial assistance from the government. As a result, the Debtors used all of their cash on hand to maintain operations.

73. Notwithstanding these demand shocks and financial constraints, during the pandemic, the Debtors were able to obtain agreements with key constituencies that enabled them to weather the crisis. The Debtors were able to implement arrangements with all labor unions to reduce salaries during the period, and reached agreements with government agencies, taxation agencies, and certain lessors to defer certain cash payments. This allowed the Debtors to continue operating and serving their customers; the deferred obligations they created, however, continued to accrue following the pandemic and many remain outstanding today. These deferred and outstanding obligations include those related to suppliers, air traffic control fees, airport usage, taxes, and certain other obligations.

74. ***Interest Rate and Credit Environment.*** The Debtors' significant indebtedness is denominated in BRLs and U.S. dollars, meaning that the Debtors are sensitive to the interest rate environment in both Brazil and the United States. Interest rates in Brazil have climbed in early 2023, with the reference rate reaching 13.65% before gradually starting to decrease to 11.65% in late 2023. In the United States, interest rates have also climbed in recent years, peaking at 5.40% in September 2023 from less than 0.1% two years prior. Availability of and pricing of credit has also deteriorated in 2023. In early 2023, the Brazilian domestic credit markets severely contracted

after a large retailer group, Lojas Americanas, filed for local bankruptcy proceedings in Brazil. This filing caused nearly all local lenders to cease lending to any creditors perceived as high risk, including airlines. As a result, the Debtors were unable to roll over and refinance certain local credit lines, while any refinancing was done at much higher rates which negatively impacted the Debtors' balance sheet, maturity profile, and costs of debt.

75. Accordingly, while the Debtors remain operationally profitable, deferred and accrued obligations related to maintenance, fees and taxes, and certain funded debt—all set against an increasing interest rate environment—have created a substantial near-term liquidity need that the Debtors' operations alone are unable to meet. The Debtors have engaged in a series of transactions and efforts in an attempt to address this issue, the most significant of which are discussed briefly below.

76. ***Secured Amortizing Notes.*** While the Debtors' operations enable the Debtors to make current lease payments, significant lease arrears and deferrals accumulated during the pandemic remain outstanding. To address this gap, at the end of 2022, the Debtors reached an agreement with a subset of their lessors to exchange certain deferred lease-related obligations for senior amortizing notes in the same amount as those deferred obligations (the 2026 Senior Secured Amortizing Notes and 2025 Subordinated Amortizing Secured Notes), approximately $220 million. This enabled the Debtors to obtain a grace period and then amortize the deferred lease obligations over a period of approximately three years.

77. ***Payment Plans.*** The Debtors have also reached agreements on payment plans with respect to other deferred obligations. These include payment plans with certain suppliers and for air traffic control and airport operator fees.

78. ***Abra.*** In 2023, GOL entered into a significant new business combination. Abra is an airline company in which GOL and Avianca, a Colombia-based international airline, are partners. GOL and Avianca are complementary airlines, both in operational models and in destinations served; recognizing this, the companies determined to enter into a strategic partnership and business venture. Abra provides a platform through which GOL and Avianca can realize commercial and operational synergies and gain a competitive edge in the global airline market. Abra also opens the door to other potential combinations with valuable industry players.

79. Abra also provided the Debtors significant financial benefits. In March 2023, Abra closed a private placement with investors in Abra and concurrently closed Abra's private investment in GOL. Through this transaction, Abra issued new senior secured and senior secured exchangeable bonds to international bond investors (principally to members of an ad hoc GOL bondholder group formed in February 2023, the "AHC"). In exchange for these Abra bonds, the AHC investors provided cash and tendered, at a substantial discount, their holdings of GOL bonds. Abra, then, in exchange for GOL privately placing the 2028 Senior Secured Notes with Abra (later substituted for 2028 Senior Secured Exchangeable Notes), enabled GOL to retire nearly $1.1 billion in near-term obligations at an average price of seventy-one cents on the dollar and provided the Debtors over $400 million in much-needed liquidity with which to address pressing obligations.

80. Following the Abra Transaction, the Debtors continued to work towards consensual liability adjustments with all stakeholders. The Debtors' key goals included (i) outreach to lessors; (ii) raising new money; (iii) addressing maintenance capex; (vi) managing liability; and (v) working with local government and banks. Advisors and management aimed to address the

Debtors' liquidity issues through a comprehensive approach that focused on keeping key stakeholders at the table while options for securing additional capital were explored.

81. Initially, the Debtors hoped to achieve an out-of-court solution to their deteriorating liquidity position and sought additional capital in the amount of $600 million. This was later upsized to $950 million due to near-term headwinds related to the Company's liquidity outlook and a reduced number of operating aircraft. Debtors' advisors, Seabury Securities ("Seabury"), reached out to over twenty lenders from various financial institutions (i.e., private equity firms, hedge funds, and airline focused funds) to solicit interest for this capital raise.

82. In January 2024, it became increasingly likely that the Company would require a chapter 11 process to reorganize, accompanied by an immediate infusion of liquidity through DIP financing. Accordingly, Seabury and the Debtors initiated a dual process, requesting that the interested parties provide proposals for both an out-of-court capital raise and a DIP financing. Due to the short timeframe in which the funds were needed, Seabury focused their solicitation efforts on the parties best able to move quickly and to deliver the amount required.

83. The Debtors also focused on lessor outreach. By early December 2023, the Debtors' advisors had made contact with each of the Debtors' twenty-seven total lessors (seventeen aircraft only lessors, three lessors of both aircraft and engines, six engine-only lessors, and one legacy lessor), making presentations and proposals regarding go-forward lease modifications. These efforts resulted in a number of successful agreements and deferral arrangements, but were not able to address the entirety of the Debtors' accrued obligations.

84. While their prepetition efforts enabled the Debtors to address certain immediate liquidity needs, the substantial amount of deferred obligations coming due as well significant

required investments that cannot be satisfied by operational revenues alone have required the Debtors to file these Chapter 11 Cases.

B. The Debtors' Go-Forward Restructuring

85. The Debtors intend to use these Chapter 11 Cases to execute a holistic restructuring that realigns their profitable operational performance with their capital structure, which bears a number of legacy obligations. Key goals include, among others, (i) securing immediate liquidity through the proposed DIP financing facility and ensuring the Debtors have sufficient liquidity to see them through the close of these cases,[11] (ii) reaching consensual agreements with lessors, and (iii) addressing the Debtors' other obligations in arrears. The Debtors will work with all of their many stakeholders—lessors, creditors, governmental and regulatory bodies, and others—to achieve these aims.

86. Crucial to these restructuring efforts will be continuing to provide uninterrupted service to the Debtors' customers, as continued excellence in business operations and service has been, and remains, the Debtors' ultimate goal. Accordingly, the Debtors are requesting first day relief (discussed in detail in Section IV, below) to enable this continuity of service. If granted, this relief will minimize disruptions and ensure the Debtors' operations continue smoothly while these Chapter 11 Cases are in progress.

IV. FIRST DAY PLEADINGS

87. Concurrently with the Petitions, the Debtors are filing the following First Day Pleadings:

[11] A detailed explanation of the DIP solicitation process and the proposed DIP Facility is set forth in the *Declaration of John E. Luth in Support of Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors-in-Possession to Obtain Postpetition Financing, (B) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (C) Granting Adequate Protection to the Prepetition Secured Parties, (D) Modifying the Automatic Stay, (E) Authorizing the Debtors-in-Possession to Use Cash Collateral, (F) Scheduling a Final Hearing and (G) Granting Related Relief.*

a. *Debtors' Motion for Entry of an Order (i) Directing Joint Administration of Chapter 11 Cases and (ii) Granting Related Relief* (the "Joint Administration Motion");

b. *Debtors' Motion for Entry of an Order (i) Authorizing Them to (a) File a Consolidated List of Creditors and (b) File a Consolidated List of the Debtors' 30 Largest Unsecured Claims; (ii) Approving a Procedure for Disclosure of Certain Creditor and Interest Holder Information; and (iii) Approving the Form and Manner of Notifying Creditors of Commencement of These Chapter 11 Cases* (the "Consolidated List of Creditors Motion");

c. *Debtors' Motion for Entry of an Order (i) Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, Statements of Financial Affairs, and Rule 2015.3 Financial Reports; and (ii) Waiving Requirement to File a List of Equity Security Holders and Provide Notice of Commencement to Equity Security Holders* (the "Schedules and Statements Extension Motion");

d. *Debtors' Motion for Entry of an Order Implementing Certain Notice and Case Management Procedures* (the "Case Management Motion");

e. *Debtors' Motion for Entry of an Order (i) Enforcing the Protections of 11 U.S.C. §§ 362, 365, 525, and 541(c); (ii) Approving the Form and Manner of Notice; and (iii) Granting Related Relief* (the "Automatic Stay Motion");

f. *Debtors' Application for Entry of an Order (i) Authorizing Retention and Appointment of Kroll Restructuring Administration LLC as Claims and Noticing Agent for the Debtors* Nunc Pro Tunc *to the Petition Date and (ii) Granting Related Relief* (the "Kroll Retention Application");

g. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to Continue to (a) Use Existing Cash Management Systems, Bank Accounts, and Business Forms, (b) Factor Their Receivables, (c) Engage in Intercompany Transactions, and (d) Pay Service Charges; (ii) Granting Administrative Expense Status to Intercompany Claims; (iii) Waiving Compliance with Requirements of 11 U.S.C. § 345, and (iv) Granting Related Relief* (the "Cash Management Motion");

h. *Debtors' Motion for Interim and Final Orders (i) Authorizing the Debtors to (a) Utilize Cash Collateral and (b) Grant Adequate Protection (ii) Vacating or Modifying the Automatic Stay, and (iii) Granting Related Relief* ("Cash Collateral Motion")*;*

i. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to (a) Maintain Employee Programs in the Ordinary Course and (b)*

Pay Prepetition Employee Obligations Related Thereto and (ii) Granting Related Relief (the "Wages Motion");

j. *Debtors' Motion for Entry of an Order (i) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Services, (ii) Approving the Proposed Adequate Assurance of Payment for Future Services; (iii) Approving the Proposed Adequate Assurance Procedures; and (iv) Granting Related Relief* (the "Utilities Motion");

k. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to (a) Continue Insurance Policies and Surety Bond Programs; (b) Renew, Supplement, Modify, or Purchase Insurance Coverage and Surety Bonds; (c) Satisfy Obligations Related Thereto; and (d) Enter into New Premium Financing Agreements; and (ii) Granting Related Relief* (the "Insurance Motion");

l. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to Pay Certain Taxes and Fees and (ii) Granting Related Relief* (the "Taxes Motion");

m. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to Pay Certain Lien Claimants and (ii) Granting Related Relief* (the "Lien Claimants' Motion");

n. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to (a) Maintain Their Existing Customer Programs and (b) Honor Certain Prepetition Obligations Related Thereto; (ii) Modifying the Automatic Stay; and (iii) Granting Related Relief* (the "Customer Programs Motion");

o. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to (a) Assume Certain Critical Airline Agreements, (b) Honor Prepetition Obligations Related Thereto, and (c) Enter into New Critical Airline Agreements; (ii) Modifying the Automatic Stay; and (iii) Granting Related Relief* (the "Critical Airline Motion");

p. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to (a) Enter into, Terminate, and Continue Performance Under Derivative Contracts and (b) Perform Ancillary Transactions to Implement or Terminate such Contracts; and (ii) Granting Related Relief* (the "Derivative Contracts Motion");

q. *Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to Pay Prepetition Claims of Non-U.S. Vendors and Continue Performing under Related Agreements (ii) Authorizing Non-U.S. Vendors to Exercise Their Setoff and Recoupment Rights, and (iii) Granting Related Relief* ("Non-U.S. Vendor Motion");

r. *Debtors' Motion for Entry of an Order (i) Authorizing Them to Pay Undisputed Obligations Arising from Goods Ordered Prepetition and (ii) Granting Related Relief* (the "Section 503(b) Motion");

s. *Debtors' Motion for Entry of an Order Establishing and Implementing Exclusive and Global Procedures for Treatment of Reclamation Claims* (the "Reclamation Procedures Motion");

t. *Debtors' Motion for Entry of an Order (i) Authorizing Them to Enter into Sale and Leaseback Agreements with AerCap Holdings N.V. and (ii) Granting Related Relief* (the "Sale and Leaseback Motion"); and

u. *Debtors' Motion for Entry of an Order Authorizing the Filing of Certain Information Under Seal in Connection with Debtors' Motion for Entry of an Order (i) Authorizing Them to Enter into Sale and Leaseback Agreements with AerCap Holdings N.V. and (ii) Granting Related Relief* (the "Motion to Seal").

88. As noted above, contemporaneous with the filing of the Petitions, the Debtors have filed several First Day Pleadings seeking relief that is necessary to enable the Debtors to smoothly transition into these Chapter 11 Cases and minimize certain of the potential adverse effects of the commencement of the Chapter 11 Cases.

89. I have reviewed each of the First Day Pleadings or had their contents explained to me, and I believe the Debtors would suffer immediate and irreparable harm absent the ability to continue their business operations as contemplated by the relief requested in the First Day Pleadings. In my opinion, the grant of the relief sought in the First Day Pleadings will be critical to the Debtors' efforts to preserve and maximize the value of their assets and business for the benefit of all stakeholders.

90. Several of the First Day Pleadings request authority to pay certain prepetition claims. I am told by the Debtors' advisors that Rule 6003 of the Federal Rules of Bankruptcy Procedure provides, in relevant part, that the Court shall not consider motions to pay prepetition claims during the first twenty-one days following the filing of a chapter 11 petition, "except to the extent relief is necessary to avoid immediate and irreparable harm." In light of this requirement,

the Debtors have limited their request for immediate authority to pay prepetition claims (which include certain vendor claims) to those circumstances where the failure to pay such claims would cause immediate and irreparable harm. The relief requested in the First Day Pleadings is therefore necessary and appropriate to accomplish this and to protect against diminution in the value of the Debtors' business.

91. Below is a brief discussion of the Debtors' operations-related First Day Pleadings (purely procedural motions are not addressed) and an explanation of why, in my belief, such motions are critical to the successful prosecution of these Chapter 11 Cases. More detailed descriptions of the facts regarding the Debtors' operations, and the bases for the relief requested in the operational motions, can be found in each relevant First Day Pleading.[12]

A. Cash Management Motion

92. By the Cash Management Motion, the Debtors seek entry of interim and final orders, (i) authorizing them to continue to (a) use the Cash Management System, Bank Accounts, and Business Forms, (b) factor their Receivables free and clear of any Adverse Interest, (c) engage in ordinary course Intercompany Transactions, and (d) pay Service Charges; (ii) granting administrative expense status to Intercompany Claims (each as defined herein); (iii) waiving or extending the time to comply with the investment and deposit restrictions imposed by section 345 of the Bankruptcy Code; and (iv) granting related relief.

93. To facilitate the efficient operation of their business, the Debtors use an integrated, centralized cash management system (the "Cash Management System") to collect, transfer, invest, and disburse funds generated by their ordinary course operations. As a part of the Debtors' Cash

[12] Capitalized terms not defined in the following summaries have the meanings ascribed to such terms in the relevant First Day Pleadings.

Management System, the Debtors maintain bank accounts, manage daily cash flows, including cash inflows from the factoring of receivables, and invest excess cash, if any, among other activities. The Cash Management System has several main components: (i) cash collection, including the collection of revenues generated in the ordinary course through ticket and other sales to customers, (ii) cash transfers among the various Debtors, and (iii) cash disbursements to fund the Debtors' business operations and related obligations.

94. In connection with the maintenance of the Cash Management System, the Debtors incur periodic service charges, overdraft fees, transaction fees, and other fees (collectively, the "Service Charges") payable to the Banks. The Debtors' estimated monthly Service Charges amount to $5,100.

95. ***Bank Accounts.*** The Cash Management System utilizes approximately 164 bank accounts (the "Bank Accounts") maintained at a number of banks (the "Banks"), in South America, North America, and Europe, with the majority of these Bank Accounts in Brazil, Argentina, and the United States. The Debtors use multiple Bank Accounts to organize cash flows across their corporate enterprise and to centralize general administrative and operating expenses. The Debtors maintain Bank Accounts with a number of banking institutions, including (i) twenty-six Bank Accounts at Citibank, N.A., (ii) eighteen Bank Accounts at Itaú Unibanco, (iii) sixteen Bank Accounts at Banco Santander, S.A. ("Santander"), (iv) eight Bank Accounts at Banco Bradesco S.A., (v) seven Bank Accounts at Banco do Brasil S.A., (vi) six Bank Accounts at Banco Comafi S.A., (vii) five Bank Accounts at Banco Patagonia, (viii) five Bank Accounts at Banco Safra S.A., and (ix) five Bank Accounts at Caixa Econômica Federal. The Debtors additionally maintain sixty-eight Bank Accounts at forty-two different Banks with four or fewer Bank Accounts at each of these Banks.

96. The Bank Accounts generally fall into one of a number of broad categories: Sources and Collections Accounts, Foreign Exchange Accounts, Payroll Disbursement Accounts, Vendor Disbursement Accounts, Taxes and Fees Accounts, Investment Accounts, Collateral and Escrow Accounts, Derivatives Accounts, and Judicially Blocked Accounts[13] (each, as described in more detail in the Cash Management Motion).

97. In addition, I understand from Debtors' advisors that the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees* (the "UST Guidelines") generally require chapter 11 debtors to, among other things, deposit all estate funds into accounts at authorized depositories (the "Authorized Depositories") that agree to comply with the requirements of the applicable Office of the United States Trustee (the "U.S. Trustee"). The Debtors maintain twenty-six Bank Accounts at Citibank, N.A. and one Bank Account at J.P. Morgan Chase—both financial institutions that are Authorized Depositories—while the remaining 137 Bank Accounts are at Banks that are not Authorized Depositories (the "Non-Authorized Depositories"). Approximately 28% of the Debtors' cash is held at Authorized Depositories.

98. The majority of the Debtors' cash that is not held at Authorized Depositories is held at highly rated financial institutions that are well-capitalized and financially stable. Specifically, approximately 38% of the Debtors' cash is held at Santander, which has received investment-grade ratings similar to or better than many Authorized Depositories (A+ by S&P, A2 by Moody's, and A- by Fitch), and has approximately $2 trillion of assets on its balance sheet as of September 30, 2023. Another approximately 21% of the Debtors' cash is held at fifty-three Bank Accounts at

[13] The Debtors maintain approximately twenty-eight Bank Accounts with funds that are partially or totally blocked by judicial action related to pending civil or labor litigation in Brazil (the "Judicially Blocked Accounts"). Pursuant to Brazilian legal requirements, funds must be escrowed up to the value of the claim, and the Judicially Blocked Account is restricted until the conclusion of the case. To the extent the settlement or judgment amount is less than the account balance, a portion of the funds become unrestricted.

other Non-Authorized Depositories that have investment-grade ratings and/or are well-capitalized—each with the equivalent of $400 billion or more in assets.[14]

99. In addition to the stability of the Non-Authorized Depositories, there are compelling operational reasons for the Debtors to maintain Bank Accounts at Non-Authorized Depositories.

- *First*, due to the global nature of their operations, the Debtors need to maintain Bank Accounts in these Non-Authorized Depositories throughout the world to pay employees, taxes, and vendors and to receive payments from sales of tickets and other services in numerous jurisdictions. The Debtors currently maintain approximately seventy-nine of such Bank Accounts in fourteen countries. Without the use of such Bank Accounts, the Debtors could not continue their international operations.

- *Second*, federal and state taxes in Brazil can only be paid through specific Brazilian Banks, which is why the Debtors maintain accounts at Banco do Brasil, Caixa Econômica Federal, and Banco Bradesco.

- *Third*, the Judicially Blocked Accounts have been restricted by the Brazilian judiciary in order to ensure sufficient funds are available to make payments owed on account of civil and labor lawsuits, so the Debtors are unable to close or move cash from these Bank Accounts.[15] Approximately $37,000 was held across the twenty-eight Judicially Blocked Accounts as of the Petition Date.

- *Fourth*, having several Bank Accounts at different Non-Authorized Depositories allows the Debtors to compare and pursue the best rates and fees, especially foreign exchange rates which have significant importance given the scope of the Debtors' international operations. Additionally, the Debtors maintain relationships with Banco Rendimento and Santander in order to access certain benefits, such as corporate credit cards, travel reimbursements, and other employee benefits. The Debtors also have credit lines with Banco Bradesco, Banco Safra, Banco Pine, and Banco Daycoval. The Debtors maintain Foreign Exchange Accounts at Banco Daycoval, Banco Ourinvest SA, Banco C6, Travelex Bank, and Banco Voiter. In

[14] These other Non-Authorized Depositories include Banco de Chile, Banco de la Nación, Banco Rendimento, BBVA Colombia, BNY Mellon Banco S.A., Industrial and Commercial Bank of China, ING Bank, Scotiabank, Banco Bradesco, Banco do Brasil, Itaú Unibanco, Caixa Economica Federal, andGrupo Financiero Banamex. Note that a selection of financial institutions on the U.S. Trustee's list of Authorized Depositories are significantly less capitalized than certain of these Non-Authorized Depositories.

[15] This includes Bank Accounts at Banco Itaú (Itaú Unibanco S.A.), Banco do Brasil, Banco Bradesco, Caixa Econômica Federal, Banrisul, Banco Pan, Citibank Brasil (Citibank N.A.), Banco Votorantim, China Construction Bank Banco Multiplo S/A, Banco Luso Brasileiro, Banco BTG Pactual S.A., Banco BOCOM BBM, XP Investimentos S/A, Banco Industrial do Brasil S.A., and Banco Safra.

addition, the Debtors' hold cash at several Non-Authorized Depositories in Argentina that allow the Debtors to maintain funds in U.S. dollar-linked assets, given the currency risk of holding Argentinian pesos.[16]

- *Fifth*, certain of the Debtors' agreements require the Debtors to maintain Bank Accounts at Non-Authorized Depositories. For example, the Debtors have an agreement to use Santander as their main Bank for payroll. Additionally, the Debtors have an agreement with an energy provider, Comerc Energia, which only permits the Debtors to pay the provider through Banco Bradesco.

100. Accordingly, the Debtors request that the requirement of the UST Guidelines with respect to Authorized Depositaries be waived. In any event, the Debtors will continue to work in good faith with the U.S. Trustee to resolve any concerns regarding the continued use of these Non-Authorized Depository Bank Accounts after the Petition Date.

101. ***Investment Policy.*** The Treasury Department manages the Debtors' funds not needed for disbursements or other operating requirements pursuant to an internal investment policy (the "Investment Policy"). Under this Investment Policy, the Debtors' excess cash, if any, is directed into one of several portfolios managed by the Treasury Department. Each portfolio has a primary objective, an associated benchmark comparison metric, and a list of permitted investments and instruments. Permitted investments include low risk, fixed-income securities. The Investment Policy places appropriate safeguards on the approved investments, maintaining a disciplined and prudent strategy that permits the Debtors to maximize returns on any excess cash while ensuring that such cash is readily available for use in the Debtors' business operations. Moreover, the Investment Policy must be approved by the Debtors' committee on risk policies. Although the Debtors are not currently actively investing, they expect that during the pendency of these Chapter 11 Cases, they may begin investing in highly liquid investments again.

[16] Approximately 7% of the Debtors' cash is held at such Non-Authorized Depositories for this purpose. Given currency controls in Argentina, it would be difficult for the Debtors to move this cash from Argentina into Bank Accounts in other jurisdictions.

102. ***Business Forms.*** In the ordinary course of business, the Debtors use electronic checks and a variety of other business forms, including purchase orders, invoices, and letterheads (collectively, the "Business Forms"). I understand from Debtors' advisors that the UST Guidelines require that the Debtors to add the legend "Debtor-in-Possession" or a so-called "debtor-in-possession number" to all such Business Forms. However, to minimize expense to their estates and avoid confusion on the part of employees, customers, and suppliers, by the Cash Management Motion, the Debtors seek to use all Business Forms, as they existed immediately prior to the Petition Date, without reference to the Debtors' status as debtors-in-possession. Parties doing business with the Debtors undoubtedly will be aware of the Debtors' status as debtors-in-possession due to the size of these Chapter 11 Cases and the inevitable worldwide press. The Debtors have also prepared communication materials to distribute to their business counterparties, which will, among other things, inform them of the commencement of the Chapter 11 Cases.

103. ***Factoring Arrangements.*** As part of the Debtors' daily operations, the Debtors receive most of their customers' payments in the form of credit card receivables. In Brazil, most of the Debtors' credit card receivables cannot be converted into cash for at least thirty-one days. Because of this delay between the time that a credit card receivable is recognized and when it can be converted into cash, the Debtors enter into factoring agreements (the "Factoring Arrangements") with certain financial institutions (the "Factoring Counterparties") to provide immediate liquidity for the Debtors as part of their Cash Management System. Pursuant to these Factoring Arrangements, the Debtors sell their credit card receivables (the "Receivables") to the Factoring Counterparties at a discount in exchange for immediate cash. Factoring is a customary practice in Brazil. The Debtors have historically relied upon the Factoring

Arrangements as a key source of liquidity to maintain ordinary course operations and avoid disruptions.

104. ***Intercompany Transactions.*** In the ordinary course of business, the Debtors engage in business transactions with other Debtors for disbursements related to day-to-day operations (the "Intercompany Transactions"), which result in intercompany receivables and payables (the "Intercompany Claims"). For example, the Debtors' capital raising entities make loans to the Debtors' main operating entity, GOL Linhas Aéreas S.A., and to the Debtors' aircraft acquisition entity, GAC, Inc. Additionally, the Debtors' capital raising entities occasionally engage in Intercompany Transactions amongst themselves. GAC, Inc. and GOL Linhas Aéreas S.A. also engage in Intercompany Transactions. Further, the Debtor parent company, GOL Linhas Aéreas Inteligentes S.A., and GOL Linhas Aéreas S.A. engage in Intercompany Transactions with one another.

B. Cash Collateral Motion

105. The Debtors require immediate access to Cash Collateral to operate their businesses in the ordinary course and transition successfully into chapter 11. Among other things, the Debtors' budget and the cash flow projections prepared in connection with the proposed debtor-in-possession financing facility (the "DIP Facility")[17] all contemplate continued access to the Cash Collateral, and the DIP Facility has been sized in accordance with those assumptions. In accordance with these budgets and forecasts, the Cash Collateral is essential at the outset of these cases to enable the Debtors to (a) meet working capital and business operating needs and (b) fund

[17] *See Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors-in-Possession to Obtain Postpetition Financing, (B) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (C) Granting Adequate Protection to the Prepetition Secured Parties, (D) Modifying the Automatic Stay, (E) Authorizing the Debtors-in-Possession to use Cash Collateral, (F) Scheduling a Final Hearing and (G) Granting Related Relief.*

the administration of these Chapter 11 Cases. Continued access to Cash Collateral will allow the Debtors to procure goods and services integral to their ongoing business operations, fund operational expenses, and allow the Debtors to maintain favorable relationships with their vendors, suppliers, and customers. Conversely, failure to obtain access to Cash Collateral to satisfy such expenses will result in immediate and irreparable harm to the Debtors and their stakeholders, as the Debtors may be unable to satisfy financial covenants required by the DIP Facility. Without access to the liquidity provided by the Cash Collateral and the DIP Facility, the Debtors would be unable to continue operating. If the Debtors had to shut down operations, their enterprise value would be destroyed and the usefulness and value of the Debtors' assets would be significantly diminished. Therefore, the Debtors' immediate access to Cash Collateral is necessary to preserve the value of the estates and maximize value for the Debtors' stakeholders.

C. Wages Motion

106. Pursuant to the Employee Wages Motion, the Debtors seek entry of interim and final orders (i) authorizing the Debtors to (a) maintain their Employee Programs in the ordinary course of business and (b) pay prepetition obligations related thereto and (ii) granting related relief.

107. The Debtors employ in the aggregate over 14,000 employees (the "Employees"), all of whom receive a compensation and other employment-related benefits from the Debtors. Continuing to provide Employees with compensation and other employment-related benefits is necessary for the Debtors to continue operating their business, to minimize the personal hardship the Employees will suffer if these obligations are not paid when due, and to maintain the Employees' morale to prevent them from seeking alternative employment opportunities at this critical time. Accordingly, the Debtors must continue programs related to, among other items, Compensation, Payroll Processing Fees, Incentive Plans, Paid Leave Obligations, Workers' Compensation Obligations, Employee Benefit Obligations, Reimbursable Business Expenses,

Garnishment Deductions, Payroll Tax Obligations, and Severance Obligations (each as defined herein, and collectively, the "Employee Programs") and pay obligations related to the Employee Programs (the "Employee Obligations"). The Debtors expect that approximately $41 million of Employee Obligations will come due in the first thirty days of these Chapter 11 Cases.

108. The aggregate amount of prepetition Employee Obligations that the Debtors seek authority to pay is summarized as follows:

Employee Obligations	Amounts to Be Paid During Interim Period	Total Amount Outstanding as of Petition Date
Employee Compensation	$25 million	$25 million
Outsourced Company Compensation	$13.4 million	$19.2 million
Director Compensation	$0	$0
Payroll Processing Fees	$24,000	$24,000
Incentive Plan Payments	$0	$0
Paid Leave Obligations (Vacation, Sick, Etc.)	$8 million	$38 million
Workers' Compensation Obligations	$0	$0
Employee Benefits	$3.1 million	$3.1 million
Reimbursable Business Expenses	$90,000	$90,000
Monthly Payroll Tax Obligations	$9 million	$9 million
Deferred Payroll Tax Obligations	$34 million	$174 million
Severance	$150,000	$150,000
Total Employee Obligations	$93 million	$269 million

109. ***Employee Compensation.*** The Debtors' Employees serve in a variety of roles, such as pilots, flight attendants, mechanics, customer service agents, sales agents, reservation agents, management and clerical personnel, and others.[18] In the ordinary course of business, the Debtors

[18] Approximately 98.5% of Employees are located in Brazil with the remaining 1.5% located at the Debtors' international bases. Approximately 150 Employees are located in Argentina, thirty-seven Employees are located

have made payroll payments to Employees on the fifth business day of every month, in most cases by direct deposit bank transfer to Employee accounts. In addition to their normal salaries, Employees in Brazil also receive extra compensation for working night shifts, working in high-risk positions, and having specialized training, among other required benefits, as applicable, as required by Brazilian labor laws. Additionally, Employees in the United States are reimbursed for their health insurance premiums through their monthly compensation, and Employees in Argentina, Paraguay, Bolivia, and Colombia receive meal vouchers included in their payroll.

110. Further, sixty-two sales Employees are eligible to receive commissions in addition to their salaries. Commissions are based on achievement of certain sales targets. Only commercial executives who have been in such role for at least three months are eligible for commissions and the Debtors pay Employees approximately $40,000 in commissions on average per month. The Debtors' average gross monthly payroll to Employees is approximately $29 million. The Debtors estimate that approximately $25 million in prepetition wages, salaries, and other non-incentive compensation for Employees may remain unpaid by relevant Debtors as of the Petition Date.

111. ***Outsourced Companies Compensation***. The Debtors rely on services provided by individuals supplied by outsourced companies in Brazil and other countries (the "Outsourced Companies") to perform a range of functions in several areas of their operations, such as (i) call centers, (ii) security services, (iii) certain maintenance and repair operations, (iv) certain airport services related to ground handling and ramp services and check in and gate services, and (v) cleaning services. The Debtors pay the Outsourced Companies with whom they contract.

in Uruguay, twelve Employees are located in Paraguay, four Employees are located in the United States (in Florida), and thirteen Employees are located elsewhere. Approximately 1,200 Employees work part time, while the remainder are full-time Employees.

These companies, in turn, pay the individuals providing the services. The Debtors' average gross monthly payments to the Outsourced Companies is approximately $11 million.

112. If the Outsourced Companies are not paid, they will suffer undue hardship and, in many instances, serious financial difficulties, as the amounts in question are needed to enable them to meet their own financial obligations. Despite the global reach of the automatic stay, many Outsourced Companies have little or no direct connection to the United States or might otherwise be ignorant of the automatic stay. Thus, if the Outsourced Companies are not paid, it is possible that they will no longer continue to be available to the Debtors, which could put the Debtors at serious risk given the vital role such Outsourced Companies play in the Debtors' daily operations. Debtors estimate outstanding prepetition amounts owed to the Outsourced Companies to be approximately $19.2 million.

113. ***Director Compensation.*** GOL Linhas Aéreas Inteligentes S.A. maintains a board of directors, which includes a total of nine non-Employee individuals (each, a "Director"). Directors are entitled to fixed monthly fees for serving on the board as well as reimbursement of reasonable out-of-pocket expenses in connection with travel related to their Director duties (the "Director Compensation"). The Debtors do not believe that any prepetition amounts are owing on account of Director Compensation.

114. ***Payroll Processing Fees***. The Debtors outsource the administration of certain Compensation for certain Employees to several payroll processors. These payroll processors administer the funds made available by the Debtors on account of Compensation through direct deposit and remit certain of the Debtors' Monthly Payroll Tax Obligations to the applicable taxing authorities. The Debtors pay these payroll processors approximately $41,000 per month in service

fees (the "Payroll Processing Fees"). As of the Petition Date, the Debtors estimate that they owe approximately $24,000 on account of Payroll Processing Fees.

115. ***Incentive Plans.*** In the ordinary course of business, the Debtors maintain certain incentive plans for different categories of non-insider Employees (the "Non-Insider Employees"). These incentive plans include (i) a revenue sharing program, (ii) an incentive bonus program, (iii) a quarterly bonus program, (iv) an operational supervisor bonus, and (v) an operational reward program (collectively, the "Incentive Plans"). Importantly, many of the Debtors' direct competitors offer comparable types of incentive compensation plans. Continuation of the Incentive Plans is critical to the Debtors' ability to remain a competitive employer and to avoid a potential loss of Employees. As such, the Incentive Plans are integral to the Debtors' operations going forward and are critical to the Debtors' ability to motivate, reward, and retain their Non-Insider Employees. The Debtors estimate that approximately $36.6 million will come due in 2024 on account of the Incentive Plans.

116. Further, the Debtors' business is organized such that it is governed by a board of directors and managed by certain officers, who, as I understand from Debtors' advisors, may be considered "insiders" under section 101(31) of the Bankruptcy Code. These individuals will not receive any bonuses or incentive payments under the Incentive Plans.

117. ***Revenue Sharing Programs.*** Employees hired before September 2023 (over 14,000 Employees) are eligible to receive a cash bonus under a revenue sharing program (the "Revenue Sharing Program"). The Revenue Sharing Program is negotiated with a commission formed by Employees and approved by labor unions for the benefit of all unionized and non-unionized Employees. Under the program, a portion of the Debtors' revenue is distributed to eligible Employees based on achievement of corporate revenue targets as of spring 2024, and

another portion is distributed based on the Debtors' achievement of operational targets set for each department. The Debtors paid approximately $11 million to Non-Insider Employees in 2023 on account of the Revenue Sharing Program. The Debtors expect to pay approximately $19.3 million to Non-Insider Employees that remain at the Company in April 2024 under this program. Continuing the Revenue Sharing Program is essential to maintaining Employee morale and avoiding business disruption during the Debtors' restructuring.

118. ***Incentive Bonus Programs.*** Approximately 200 Non-Insider Employees are eligible for cash incentive bonuses (the "Incentive Bonus Program"). These Non-Insider Employees receive bonuses under the Incentive Bonus Program based on operational and financial targets as applicable to each department. These targets include, but are not limited to, revenue and EBITDA metrics, fleet performance, and cost control and reduction. The bonuses under the Incentive Bonus Program will become due in September 2024. The Debtors estimate that the aggregate amount of such bonuses will be approximately $3 million. By way of comparison, the Debtors paid $1.5 million under the Incentive Bonus Program in 2023.

119. ***Quarterly Bonus Program.*** Approximately 450 Non-Insider Employees are eligible to receive quarterly cash bonuses (the "Quarterly Bonus Program"). These Non-Insider Employees are eligible to receive bonuses under the Quarterly Bonus Program based on continued service in good standing, including individual performance reviews, as well as targets of the Debtors related to financial and operational performance. The performance reviews consider the Non-Insider Employee's revenue generation, cost control and reduction, and aircraft turnaround time, among other considerations. Participants forfeit any unpaid amount if they are terminated for cause or voluntarily resign, but those participants who are involuntarily terminated are entitled

to the payment for the quarter in which termination occurred. The Debtors estimate that the total cost of the Quarterly Bonus Program is $6.4 million annually, or $1.6 million quarterly.

120. ***Operational Supervisor Bonus***. The Debtors maintain an operational supervisor bonus program for approximately seventy operational supervisors (the "Operational Supervisor Bonus Program"). These Non-Insider Employees serve in operational supervisory roles related to airport, crew, cargo, and maintenance services, call centers, and warehouses. The payments under the Operational Supervisor Bonus Program are based on targets linked to short-term individual operational indicators, such as on-time performance, cost control and reduction, and reductions in baggage mishandling. The Debtors paid approximately $400,000 in 2023 under the Operational Supervisor Bonus Program and expect to pay approximately $600,000 in 2024 in two semiannual installments.

121. ***Operational Reward Program.*** Approximately 11,100 Non-Insider Employees in various operational roles related to airport, crew, cargo and maintenance services, call centers, and warehouses are eligible to participate in the operational reward program (the "Operational Reward Program"). Payments under the Operational Reward Program are based on short-term operational targets, such as on-time performance, cost control and reduction, and reductions in baggage mishandling, that are reviewed semiannually (or quarterly, if needed). In 2023, the Debtors paid approximately $3.5 million under the Operational Reward Program and expect to pay approximately $7.3 million in 2024 in four quarterly installments.

122. ***Paid Leave Obligations.*** The Debtors have various Paid Leave Obligations, discussed in turn below:

- ***Vacation Obligations.*** Employees are entitled to paid vacation time (the "Vacation Obligations"). In some cases, eligibility for paid vacation requires completion of a probationary or minimum period of active service in the employment of the Debtors, as specified by the applicable collective bargaining

agreements, individual agreements, or company policy. Employees accrue a specified number of vacation days or fraction of days, based on years of service, for each month of active service. The Debtors estimate that their average monthly cost on account of Vacation Obligations is approximately $3 million. Taking into account (i) the vacation time earned but unused as of the Petition Date and (ii) the amounts that would be earned postpetition, the Debtors estimate that, going forward, they may owe approximately $34 million to Employees on account of Vacation Obligations. Most of the Vacation Obligations do not involve a cash outlay for the Debtors, except for those Employees that may cash out vacation time.

- ***Sick Leave Obligations.*** In addition, under the applicable collective bargaining agreements, company policies, and/or applicable labor laws, Employees are entitled to paid sick leave (the "Sick Leave Obligations"). Sick leave benefits may be earned at various rates based on hours worked per month and may be carried forward from year to year, subject to the local labor laws and economic protections afforded employees in the various jurisdictions in which the Debtors operate. The Debtors estimate that the average monthly cost related to paid sick leave is approximately $20,000. The Debtors estimate that, as of the Petition Date, they owe approximately $20,000 in Sick Leave Obligations. The Sick Leave Obligations cannot be cashed out and therefore, do not require any cash outlay by the Debtors in addition to regular payroll.

- ***Other Obligations.*** The Debtors' advisors have informed me that Brazilian labor law requires additional obligations (the "Brazilian Labor Law Obligations"), including an annual Christmas bonus, known as the "thirteenth month salary." This is an additional months' salary, paid in two installments. Employees are also paid for time off during certain holidays (collectively, the "Holiday Obligations" and together with the Vacation Obligations, Sick Leave Obligations, and Brazilian Labor Law Obligations, the "Paid Leave Obligations"). In Brazil and in other jurisdictions, the Debtors pay Employees for time off taken during holidays.

123. ***Workers' Compensation Plans.*** The Debtors provide workers' compensation benefits and foreign equivalents to their Employees (the "Workers' Compensation Obligations"). These benefits are administered by the respective insurers (the "Workers' Compensation Plans") covering the countries in which Employees are located. The Debtors' counsel has informed me that failure to maintain these benefits could result in administrative or legal proceedings and material fines against the Debtors and their officers and directors. As of the Petition Date, the Debtors provided benefits on account of Workers' Compensation Obligations to approximately

four Employees. The Debtors estimate that they do not currently owe any amounts on account of Workers' Compensation Obligations as of the Petition Date.

124. ***Employee Benefits.*** The Debtors also maintain various plans and policies pursuant to which Employees are provided with health insurance, life insurance, and other benefits (collectively, the "Employee Benefits" and the amounts owed on account thereof, the "Employee Benefit Obligations"). The table below summarizes the approximate monthly cost of each of the Employee Benefit Obligations as well as the Debtors' estimate of the unpaid prepetition obligations associated with each category:

Employee Benefit	Approx. Monthly Cost to Debtors	Approx. Amount Outstanding Prepetition
Health Insurance	$800,000	$700,000
Life Insurance	$10,000	$10,000
Meal Vouchers	$2.5 million	$2.1 million
Transportation Vouchers	$270,000	$220,000
Other Benefits	$20,000	$20,000
Total:	$3.6 million	$2.97 million

125. ***Reimbursable Business Expenses.*** As is customary for businesses comparable to the Debtors', the Debtors reimburse their Employees for certain expenses incurred in the performance of their duties. Reimbursable business expenses are ordinary course expenses that the Debtors' Employees incur in performing their job functions, such as, among others, expenses related to business trips, external meetings, and client visits, including items such as meals, transportation, laundry, accommodation, parking, and mileage (collectively, the "Reimbursable Business Expenses"). In incurring Reimbursable Business Expenses, Employees may use either their personal credit cards or prepaid cards issued to them by the Debtors. To be reimbursed for business expenses charged to a personal card, the Employee must submit an expense report. Such expenses are typically approved in five days. The Employee is then

reimbursed on the seventh, seventeenth, or twenty-seventh day of the month following approval. It is essential to the continued operation of the Debtors' business that the Debtors be permitted to continue reimbursing, or making direct payments on behalf of, Employees for such expenses. The average monthly cost of Reimbursable Business Expenses is $160,000. The Debtors estimate that, as of the Petition Date, they owe approximately $150,000 on account of Reimbursable Business Expenses.

126. ***Employee Payroll Deductions and Tax Obligations.*** Periodically, the Debtors are presented with garnishment or child support orders requiring withholding of certain amounts from an Employee's wages and remitting such amounts to the appropriate third parties (the "Garnishment Deductions"). The average amount withheld on account of the Garnishment Deductions per month is approximately $200,000. Payment of these obligations is made from amounts otherwise payable to the Employee and is not an incremental cost obligation of the Debtors' estates.

127. In addition, as I understand from Debtors' advisors, the Debtors are required by law to withhold from Employees' salaries and wages certain amounts related to income taxes, social security taxes, and other taxes, and to remit the same to the appropriate taxing authorities (the "Monthly Payroll Tax Obligations"). In Brazil, for example, the Debtors incur a portion of taxes related to the National Social Security Institute (*Instituto Nacional de Seguridade Social*, or "INSS") equal to 20% of Employee wages. The Debtors are also obligated to deduct between 7.5% and 14% (subject to a cap) from Employees' paychecks related to Employees' obligations to pay INSS taxes, as well as certain income taxes. Further, the Debtors are obligated to deposit the equivalent of 8% of each Brazilian Employee's monthly salary into a special severance fund in the name of the Employee to be paid out to the Employee upon termination without cause, known as

Fundo de Garantia do Tempo e Serviço (FGTS). On average, the Debtors pay approximately $12 million in Monthly Payroll Tax Obligations. As of the Petition Date, the Debtors estimate that they owed approximately $9 million in Monthly Payroll Tax Obligations.[19] Additionally, the Debtors owe additional taxes (i) pursuant to payment plans with the Brazilian federal government for certain INSS tax obligations with which amounts incurred are paid in monthly installments, extending up to sixty months and (ii) past due amounts for certain FGTS and income tax obligations (the "Deferred Payroll Tax Obligation" and together with the Monthly Payroll Tax Obligations, the "Payroll Tax Obligations"). The Debtors estimate that the monthly payments made pursuant to the payment plans amounts to approximately $3.1 million per month. As of the Petition Date, the Debtors estimate that they owed approximately $174 million in Deferred Payroll Tax Obligations.

128. ***Severance Plans.*** In some of the countries in which the Debtors operate, local laws require them to pay certain amounts to Employees when they are terminated without cause (the "Severance Obligations"):

- Employees may be terminated without cause, provided the Debtors provide sufficient notice or pay the Employees in lieu of such notice period. If a Brazilian Employee is terminated without cause whether or not notice is provided, the Debtors are required to pay an additional 40% to the total FGTS balance. Upon termination, the Employee may access the FGTS funds.

- In other jurisdictions, the Debtors abide by applicable local labor laws regarding severance plans. For example, in Argentina, similar to Brazil, Employees may be terminated without cause at any time so long as Employees receive sufficient notice (based on tenure) or are paid in lieu of such notice. In addition to any notice period payment, Employees receive one month's salary for each year of service. The Debtors do not pay their Employees severance in the United States.

- The Debtors may also owe certain senior executives additional severance payments in the event of their termination based on their tenure and applicable non-compete

[19] The Debtors have not yet been able to determine whether there are additional Payroll Tax Obligations outstanding as of the Petition Date.

agreements. The Debtors do not presently owe any amounts on account of such severance for senior executives.

129. The Debtors cannot accurately estimate the amount of Severance Obligations that may become payable during the pendency of these Chapter 11 Cases. However, by way of example, the Debtors' recent average monthly cost in the last twelve months on account of Severance Obligations is approximately $170,000.

D. Utilities Motion

130. By the Utilities Motion, the Debtors seek entry of an order (i) prohibiting the Debtors' Utility Providers and the Consenting Foreign Utility Providers from altering, refusing or discontinuing service on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Debtors' Proposed Adequate Assurance; (ii) approving the Proposed Adequate Assurance of payment for future Utility Services; (iii) approving the proposed Adequate Assurance Procedures; and (iv) grating related relief.

131. In the ordinary course of business, the Debtors obtain electricity, water, gas, phone, garbage, internet, and other utility services directly from certain utility providers (the "Utility Services"). Some of these utility providers have connections to the United States (collectively, the "Utility Providers"), while the vast majority of the Debtors' utility providers provide services internationally and are not otherwise subject to the jurisdiction of this Court (the "Foreign Utility Providers"). Uninterrupted Utility Services are essential to the Debtors' business operations and the success of these Chapter 11 Cases. The Debtors' offices, sales centers, call centers, hangars, and simulators, among other locations, in Latin America and the United States require electricity, water, telecommunications, internet, and other Utility Services to operate. Should any Utility Service be interrupted or discontinued, even for a brief period, the Debtors' business operations would be severely disrupted.

132. In general, the Debtors have a consistent history of paying the Utility Providers and Foreign Utility Providers on time, and the Debtors intend to continue timely paying postpetition obligations owed to the Utility Providers and Foreign Utility Providers. Over the past six months, the Debtors have paid, on average, approximately $607.00 per month directly to the Utility Providers and approximately $309,000 per month directly to the Foreign Utility Providers. To the best of the Debtors' knowledge, there are generally no material defaults or arrearages with respect to undisputed invoices for such Utility Services. None of the Utility Providers or Foreign Utility Providers holds a prepetition deposit.

133. Nevertheless, to provide the Utility Providers with additional assurance of payment, the Debtors propose to deposit $303.50 (the "Adequate Assurance Deposit") into an existing and segregated Debtor account (the "Adequate Assurance Account") to be maintained for the duration of these Chapter 11 Cases. The Adequate Assurance Deposit represents an amount sufficient to cover 50% of the Debtors' postpetition monthly cost for the services supplied by the Utility Providers. Each Utility Provider will be allocated funds in the Adequate Assurance Account in the amount set forth for such Utility Provider in the column labeled "Adequate Assurance Deposit" on the Utilities List.

E. Insurance Motion

134. By the Insurance Motion, the Debtors seek entry of interim and final orders (i) for authority, in their discretion, to (a) continue their Insurance Policies and Surety Bond Programs; (b) renew, supplement, modify or purchase insurance coverage or surety bonds; (c) pay various premiums, fees and other obligations related thereto, including certain brokerage fees; and (d) enter into new premium finance agreements; and (ii) granting related relief.

135. ***Insurance Policies.*** As of the Petition Date, the Debtors maintained approximately thirty-three insurance policies (the "Insurance Policies" and all premiums and other obligations

related thereto, including all deductibles, taxes, and fees, collectively, the "Insurance Obligations") administered by multiple U.S. and non-U.S. insurance carriers (collectively, the "Insurance Carriers"). The Insurance Policies provide coverage for, among other things, property, general liability, commercial automobile liability, director and officer liability (including any tail coverage), aviation, and cybersecurity. The current annual average premium expense for the Insurance Policies totals approximately $3.5 million. Depending on the particular Insurance Policy, premiums (plus applicable taxes and surcharges) come due typically on a monthly basis. As of the Petition Date, the Debtors estimate that approximately $2.2 million has accrued but remains unpaid on account of the Insurance Obligations.

136. Ensuring continuation of the Insurance Policies and entry into new insurance policies and premium financing agreements in the ordinary course of business is critical to preserving the value of the Debtors' estates. Indeed, in certain circumstances, failure to maintain adequate insurance coverage may cause serious disruption or outright cessation of the Debtors' operations. Moreover, as I understand from Debtors' advisors, all Insurance Policies are required by governmental regulations, laws, and/or contracts governing the Debtors' commercial activities.

137. ***Surety Bonds.*** In the ordinary course of business, various statutes, rules, regulations, and contracts require that the Debtors provide surety bonds and certain foreign equivalents (including Brazilian *Seguro Garantia*) (collectively, the "Surety Bonds") in favor of third parties, often governmental units or other public agencies, to secure the Debtors' payment or performance of certain obligations (the "Surety Bond Program"). Particularly, the Debtors have had to obtain Surety Bonds in connection with (i) various tax obligations and (ii) obligations related to pending litigation or other official proceedings.

138. As of the Petition Date, the Debtors maintain over 3,000 Surety Bonds issued by various sureties (the "Sureties"). The Debtors pay premiums (the "Surety Bond Obligations") to the Sureties when the Surety Bonds are issued, and such premium covers the period of the Surety Bond. The average annualized cost of the Surety Bond Obligations is approximately, $3.1 million. As of the Petition Date, the Debtors estimate that approximately $640,000 has accrued but remains unpaid on account of the Surety Bond Obligations. Additionally, certain of the Insurance Programs and Surety Bond Programs require the Debtors to post collateral (the "Collateral Requirements"). As of the Petition Date, the Debtors have posted collateral on account of one Surety Bond amounting to approximately $24.2 million.

139. ***Brokerage Fees.*** In administering their Insurance Policies and Surety Bond Program, the Debtors utilize services of fifteen insurance brokers (the "Insurance Brokers"). The Insurance Brokers assist the Debtors with various vital services, including, but not limited to: (a) obtaining comprehensive insurance coverage for their operations, (b) assisting the Debtors with administering insurance claims, and (c) providing various consultancy services. Moreover, I understand from Debtors' advisors that the Debtors are required to use the services of the Insurance Brokers pursuant to Brazilian law.

140. The Insurance Brokers' services are vital, both in the United States and internationally, to the Debtors' ability to maintain the Insurance Policies and Surety Bond Program on advantageous terms and at competitive rates. The Insurance Brokers' services will also facilitate proper maintenance of the Debtors' Insurance Policies postpetition and ensure adequate protection of the Debtors' property. The Debtors believe they currently owe $104,000 in brokerage fees (the "Brokerage Fees") on account of the Insurance Brokers' services as of the Petition Date.

F. Taxes Motion

141. By the Taxes Motion, the Debtors seek entry of interim and final orders (i) authorizing, but not directing, the Debtors to continue paying all Taxes and Fees in the ordinary course, including those that accrued but were unpaid as of the Petition Date; and (ii) granting related relief.

142. The Debtors collect, incur, and pay various taxes, fees, and assessments (collectively, the "Taxes and Fees") to various foreign, federal, state, and local governmental units (collectively, the "Governmental Authorities"). As an international carrier with operations across the globe, the Debtors pay various Taxes and Fees in Brazil, the United States, and many other jurisdictions throughout South America. In Brazil, for example, the Debtors pay various Taxes and Fees including, but not limited to, revenue, income, property, import, and financial transaction taxes. Although Brazilian companies typically owe federal income and social contribution taxes to the Brazilian government, the Debtors have not had to pay these amounts due to the existence of net operating losses.

143. The Debtors pay or remit, as applicable, the Taxes and Fees to the respective Governmental Authorities on a monthly, quarterly, annual, or other periodic basis, in each case, as required by applicable laws and regulations. Additionally, since January 2021, the Debtors have paid certain federal Brazilian taxes pursuant to automatic installment payment plans they have entered into with Brazilian Government Authorities (the "Installment Payment Plans"). The Debtors can apply each month to pay these Brazilian taxes due in the prior month over the course of sixty monthly installments. The Debtors pay a variety of taxes pursuant to these Installment Payment Plans, including federal taxes charged on revenue—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) taxes—among

other various taxes. In some cases, the Debtors' default under Installment Payment Plans can trigger all amounts owed thereunder to become immediately due and payable.

144. As of the Petition Date, the Debtors estimate that, in total, they have accrued approximately $418 million in unpaid Taxes and Fees, approximately $53 million of which will become due and payable within the twenty-five days following the Petition Date (the "Interim Period"). Further, of the $418 million in unpaid Taxes and Fees that the Debtors have accrued as of the Petition Date, $347 million of such Taxes and Fees are due under Installment Payment Plans and are payable over the course of sixty months. Thus, the Debtors anticipate that the immediate cash outlay associated with paying prepetition Taxes and Fees under Installment Payment Plans will be significantly less than the full prepetition balance as such amounts will be paid over time. The following table provides an overview of accrued but unpaid Taxes and Fees as of the Petition Date, including amounts which will become due and owing during the Interim Period, that the Debtors seek relief to pay or use tax credits to offset:

Category	Jurisdictions	Approximate Amount Outstanding as of Petition Date	Approximate Prepetition Amount Due and Owing During Interim Period
Revenue Taxes	Brazil	$85,900,000.00	$5,020,000
Income Taxes	Bolivia, Brazil, Colombia, Mexico	$27,920,000.00	$3,700,000
Tax on Financial Transactions	Bolivia, Brazil	$1,357,000.00	$452,000
Social Contribution Tax	Brazil	$352,000.00	$117,000
Property Taxes	Bolivia	$3,000	$1,000
State & Municipal Fees	Bolivia, Brazil, Paraguay	$1,700,000	$1,700,000
Sales & Use Taxes	Argentina, Bolivia, Colombia, Dominican Republic, Suriname, United	$12,585,000	$4,195,000

Category	Jurisdictions	Approximate Amount Outstanding as of Petition Date	Approximate Prepetition Amount Due and Owing During Interim Period
	States of America, Uruguay		
VAT	Argentina, Bolivia, Dominican Republic, Ecuador, Mexico, Paraguay, Uruguay	$266,000	$89,000
Withholding Taxes	Argentina, Bolivia, Brazil, Dominican Republic, Mexico, Uruguay	$3,546,000	$1,132,000
Other Taxes	Argentina, Bolivia, Brazil, Colombia	$1,067,000	$356,000
CIDE	Brazil	$1,560,000	$1,560,000
Airline Taxes & Fees (as defined below)	Argentina, Brazil, Ecuador, Paraguay, Suriname, United States of America, Uruguay	$281,503,000	$35,058,000
	Total	**$417,759,000**	**$53,380,000**

145. In addition to more generally applicable categories of Taxes and Fees, the Debtors are also required to pay certain Taxes and Fees that are specifically attendant to their operations as an international airline (the "Airline Taxes and Fees"). The Airline Taxes and Fees include: (i) air navigation fees, (ii) airport fees, including landing fees, stay fees, connection and boarding fees, terminal fees, and passenger facility charges, (iii) customs and immigration fees, (iv) security fees, (v) transportation taxes related to passenger flights, and (vi) tourist service taxes. The following table lists these major categories of Airline Taxes and Fees and details the estimated amounts outstanding as of the Petition Date and estimated amounts which will become due and owing during the Interim Period that the Debtors seek relief to pay or use tax credits to offset:

Category	Jurisdictions	Approximate Amount Outstanding as of Petition Date	Approximate Prepetition Amount Due and Owing During Interim Period
Navigation Fees	Brazil	$245,700,000	$10,200,000
Airport Fees	Argentina, Brazil, Suriname, United States of America, Uruguay	$31,190,000	$23,320,000
Customs & Immigration Fees	Argentina, United States of America	$878,000	$293,000
Security Fees	Argentina, Ecuador, Suriname, United States of America, Uruguay	$1,357,000	$452,000
Transportation Taxes Related to Passenger Flights	Argentina, Bolivia, Dominican Republic, Suriname, United States of America, Uruguay	$2,217,000	$739,000
Tourist Service Tax	Argentina, Bolivia, Dominican Republic, Suriname, United States of America, Uruguay	$161,000	$54,000
	Total:	**$281,503,000**	**$35,058,000**

G. Lien Claimants' Motion

146. By the Lien Claimants' Motion, the Debtors seek entry of interim and final orders (i) granting authority to, in their discretion, pay prepetition, ordinary course obligations to Outside Maintenance & Service Providers, Shippers, and Contractors in satisfaction of claims secured by perfected or potential mechanics', materialmen's, or similar liens or interests, whether possessory or otherwise; (ii) granting authority, but not direction, to enter into settlements with, and pay prepetition and postpetition settlements, fines, and judgments owed to, the Brazilian Litigation Claimants (together with the Outside Maintenance & Service Providers, Shippers, and Contractors,

the "Lien Claimants") on account of the Brazilian Litigation Claims; and (iii) granting related relief.

147. ***Outside Maintenance and Service Providers and Shippers.*** The Debtors rely on outside mechanics and repairmen to perform maintenance and repair work on the Debtors' aircraft, engines, and equipment, as well as other non-aircraft related services (collectively, the "Outside Maintenance & Service Providers"). Certain of the Debtors' Outside Maintenance & Service Providers perform maintenance and repair work pursuant to ongoing maintenance and service contracts, including, but not limited to, engine repair contracts, or on a credit basis with the subsequent delivery of invoices to the Debtors. The Outside Maintenance & Service Providers provide "on-call" maintenance in destinations where the Debtors do not employ their own maintenance staff. In addition, the Outside Maintenance & Service Providers repair and overhaul engines, components, and other aircraft parts that are outside the scope of the Debtors' internal maintenance capabilities. As part of their maintenance and repair work, the Outside Maintenance & Service Providers also supply and/or sell to the Debtors certain aircraft component parts, most of which constitute replacement parts or exchanged parts. Many of the Outside Maintenance & Service Providers are currently in possession of aircraft, engines, and other equipment vital to the Debtors' operations. The Debtors estimate that, as of the Petition Date, the amount of outstanding obligations owed to Outside Maintenance & Service Providers is approximately $84.5 million.

148. Another integral part of the Debtors' operations is the use of domestic and foreign commercial common carriers, road feeder services, movers, shippers, freight forwarders/consolidators, delivery services, customs brokers, and certain other third-party service providers (collectively, the "Shippers"). The Shippers ship, transport, store, move through customs and deliver the Debtors' goods, parts, and packages through established national and

international distribution networks (and payments to such shippers, including, but not limited to, any related taxes and custom duties, the "Shipping Charges"). The services the Shippers provide are critical to the Debtors' day-to-day operations. At any given time, there are numerous shipments *en route* to or from the Debtors, and therefore, certain Shippers are currently in possession of the Debtors' property that may be vital to the Debtors' operations. The Debtors estimate that, as of the Petition Date, the amount of outstanding obligations owed to all other Shippers is approximately $5.3 million.

149. ***Contractors.*** The Debtors also rely on contractors, subcontractors, and other professional service firms to perform construction, maintenance, and repairs at their various facilities (collectively, the "Contractors"). The Debtors estimate that the amount of outstanding obligations owed to the Contractors as of the Petition Date is approximately $0.2 million. However, due to the nature of the applicable billing cycles, this estimate may not reflect amounts owed, but not yet billed, to the Debtors.

150. ***Brazilian Litigation Claimants.*** As I understand from the declarations supporting the Lien Claimants Motion,[20] a large number of claims and fines are brought or levied against companies in Brazil, including the Debtors, on a nearly daily basis by Brazilian plaintiffs and governmental authorities (collectively, the "Brazilian Litigation Claimants" and such claims, collectively the "Brazilian Litigation Claims") through litigation or administrative proceedings.

[20] *See Declaration of Ivo Waisberg in Support of Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to Pay Certain Lien Claimants and (ii) Granting Related Relief* (the "Waisberg Declaration"); *Declaration of Aloizio Ribeiro Lima in Support of Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to Pay Certain Lien Claimants and (ii) Granting Related Relief* (the "Lima Declaration"); and *Declaration of Eduardo Hayden Carvalhaes Neto in Support of Debtors' Motion for Entry of Interim and Final Orders (i) Authorizing Them to Pay Certain Lien Claimants and (ii) Granting Related Relief* (the "Neto Declaration").

See Waisberg Decl. ¶ 10; Lima Decl. ¶ 6; Neto Decl. ¶ 6. As of the Petition Date, approximately 50,000 Brazilian Litigation Claims are pending against the Debtors.

151. On a routine and recurring basis, the Debtors pay Brazilian Litigation Claims either through settlement, pursuant to a fine, or as a result of an adverse judgment entered against them. *See* Waisberg Decl. ¶ 10; Lima Decl. ¶ 6; Neto Decl. ¶ 6. In 2023, the Debtors reduced their overall exposure to Brazilian Litigation Claims brought by their customers and employees by approximately 70% and 85%, respectively, by entering into settlement agreements. The Debtors' advisors have informed me that if the Brazilian Litigation Claimants continue to prosecute or impose their Brazilian Litigation Claims notwithstanding the imposition of the automatic stay, Brazilian law allows, under certain circumstances, for a lien to be placed on the Debtors' property, including assets held in bank accounts and treasury shares owned by the Debtor, if the Debtors do not satisfy the relevant payment obligation. *See* Waisberg Decl. ¶ 11; Lima Decl. ¶ 7; Neto Decl. ¶ 7. Further, a court may levy fines and penalties in favor of the Brazilian Litigation Claimants against the Debtors. *See* Waisberg Decl. ¶ 11; Lima Decl. ¶ 7; Neto Decl. ¶ 7. The Brazilian Litigation Claims may be brought by customers, employees, and governmental authorities, among others, as described in more detail in the Lien Claimants Motion. The Debtors anticipate that in 2024 approximately 65% of the Brazilian Litigation Claims against the Debtors will be on account of customer claims, approximately 30% of the Brazilian Litigation Claims will relate to employee claims, and approximately 5% of the Brazilian Litigation Claims will be brought by governmental agencies.

152. The Debtors are unable to estimate the total amount of prepetition Brazilian Litigation Claims held by the Brazilian Litigation Claimants with reasonable accuracy given the overwhelming number of such claims and because many of the claims are still being litigated or

settled and are not yet reducible to a monetary sum. However, given the frequency with which Brazilian Litigation Claims are brought against the Debtors, the Debtors have historically treated Brazilian Litigation Claims as recurring expenses and have budgeted approximately $7 million per month in 2024 to pay Brazilian Litigation Claims.[21]

H. Customer Programs Motion

153. By the Customer Programs Motion, the Debtors seek entry of interim and final orders (i) authorizing, but not directing, the Debtors to (a) maintain and administer their existing Customer Programs (as defined herein) and (b) honor certain prepetition obligations related thereto; (ii) modifying the automatic stay to the extent necessary to effectuate ordinary course setoffs with certain counterparties; and (iii) granting related relief.

154. ***Frequent Flyer and Loyalty Programs.*** As of the Petition Date, the Debtors maintained a frequent flyer program called "Smiles," operated by GOL Linhas Aéreas S.A. (the "Frequent Flyer Program"). Under the Smiles program, customers can accumulate Smiles miles: (i) by flying on GOL or its partner airlines, (ii) by transferring credit card points into Smiles miles, (iii) by using a GOL Smiles Card, (iv) by purchasing miles, booking hotels and cruises, renting cars, shopping, buying event tickets, and buying certain credits through the Smiles website, and (v) by making purchases through other partners. Customers may redeem the miles earned in the Smiles program by purchasing airline tickets or other goods and services from participating

[21] The Debtors do not intend to provide notice by mail to the Brazilian Litigation Claimants, as the Debtors are seeking relief through this Motion to leave their claims unimpaired, and providing notice by mail to the Brazilian Litigation Claimants is virtually impossible and impracticable given the volume of Brazilian Litigation Claims pending against the Debtors. Pursuant to the *Debtors' Motion for Entry of an Order (I) Authorizing Them to (A) File a Consolidated List of Creditors and (B) File a Consolidated List of the Debtors' 30 Largest Unsecured Claims; (II) Approving a Procedure for Disclosure of Certain Creditor and Interest Holder Information; and (III) Approving the Form and Manner of Notifying Creditors of Commencement of these Chapter 11 Cases* the Debtors have requested relief to publish the Notice of Commencement of these Chapter 11 Cases in the Wall Street Journal and the Folha de São Paulo.

financial institutions, travel companies, hotel and car rental agencies, and Brazilian retailers and distributors. Within the Smiles program, customers may also purchase Gift Miles for others' Smiles accounts via their website. In an effort to maintain customer confidence and goodwill, the Debtors must continue honoring Gift Miles.

155. As of the Petition Date, the Debtors booked approximately $523 million as a liability for the Smiles program representing approximately 151 billion unredeemed reward miles. In 2023, customers redeemed approximately $71 million worth of Smiles miles on average per month for airline tickets and other goods and services. However, approximately $3 million worth of Smiles miles expired on average per month in 2023. The majority of redemptions of Smiles miles do not require cash expenditures by the Debtors above those costs normally incurred in providing air travel to passengers. Specifically, honoring the Smiles program credits involves approximately $6.9 million per month in cash expenditures by the Debtors above those costs normally incurred in providing travel to passengers when Smiles credits are redeemed for goods and services other than air travel. In accordance with the International Financial Reporting Standards, the Debtors account for frequent flyer obligations by deferring the aggregate cost of the rewards miles until they are redeemed. As of the Petition Date, the Debtors owe approximately $24 million to suppliers for goods and services related to non-air travel redemptions of Smiles miles by customers.

156. Frequent flyer programs such as the Smiles program build and maintain a loyal customer base. Approximately 20% of the Debtors' total passenger revenues are generated from the Smiles program. In 2023, the Smiles program generated total redemptions of approximately $845 million. Within this amount, $563 million worth of Smiles miles were redeemed for flights operated by the Debtors, $161 million worth of Smiles miles were redeemed for goods and non-

air travel services, and $121 million worth of Smiles miles were redeemed for flights on other airlines.

157. If the Debtors were unable to continue the Smiles program, the Debtors' business would be negatively impacted due to the loss of the revenues generated by the Smiles program and alienation of the Debtors' most valued customers, their frequent flyers. In addition, the loss of the Smiles program would render the Debtors less competitive against the other major airlines that offer their own loyalty programs.

158. ***Lounges.*** Debtors' customers have access to four private airport lounges operated by the Debtors and approximately eight lounges operated by other airlines (collectively, the "Lounges Program"). The Debtors have one domestic and one international lounge at both São Paulo's Guarulhos International Airport and Rio de Janeiro's Galeão International Airport. Passengers can access the lounges by purchasing a premium economy ticket, by purchasing a pass at the lounge, based on status with the airline, and via agreements with other airlines and third-party lounge access programs. Each lounge provides a variety of services and amenities to help customers make the most of their travel experience. The lounges represent an important part of the Debtors' customer experience and loyalty program. Maintaining the Lounges Program does not require significant cash outlays by the Debtors, and the associated cost is insignificant compared to the benefits the Debtors will derive from continuing the Lounges Program. In addition, costs to maintain the Lounges Program are partially offset by selling lounge access passes to other airlines.

159. ***Tickets, Ticket Refunds, and Travel Credits.*** Some of the Debtors' customers purchased tickets, airbills, and cargo transportation (collectively, the "Tickets") prior to the Petition Date, but did not utilize such Tickets as of such date. In addition, the terms of some

Tickets allow customers to obtain refunds (with a penalty), either in the form of Chargebacks (as defined herein) or refunds paid directly to customers (collectively, the "Refunds"). Historically, the Debtors' normal Ticket refund rate has been approximately 6% of Ticket sales. Maintaining the refundability of Tickets purchased prepetition will enhance the public's confidence in the continued reliability of the Debtors' operations.

160. In the ordinary course of their business, as compensation to passengers for late, canceled, or overbooked flights, lost or damaged baggage, or other service deficiencies, the Debtors also may offer travel credits to their customers (the "Travel Credits," and together with the Tickets and Refunds, the "Tickets, Refunds, and Travel Credits Programs"). In total on account of all Travel Credits, the Debtors estimate that approximately $11.2 million remains outstanding as of the Petition Date. However, Travel Credits generally expire within one year. Travel Credits can be redeemed for Tickets and do not lead to cash expenditures beyond those typically incurred in providing airline travel.

161. ***Promotions Programs.*** As of the Petition Date, the Debtors maintained a promotional program with Smiles (the "Promotion Program"). The Promotion Program provides customers with discounted airline tickets and/or extra accrual of miles, depending on what type of promotion the Debtors are offering. The Promotion Program enhances revenue, especially outside of peak travel seasons, and builds and maintains consumer confidence and loyalty in the Debtors. Moreover, maintaining the Promotion Program does not require significant cash outlays by the Debtors, and the associated cost is insignificant compared to the benefits the Debtors will derive from continuing the Promotion Program. The Debtors do not owe any prepetition amounts on account of the Promotions Program, as the Promotions Program generates greater revenue than its associated cost.

162. ***Corporate Incentive Program.*** As of the Petition Date, certain Debtors were parties to agreements with about 3,000 corporate clients, pursuant to the Debtors' "VoeBiz" loyalty program for companies (the "Corporate Incentive Program"). Through the Corporate Incentive Program, the Debtors provide discounts and other benefits at the time of purchase in return for satisfying specified purchase thresholds. For example, to reach the "Premium" level in the VoeBiz program, a corporate client must accrue more than one million flight miles during the calendar year. Upon attainment of the status tier, the Debtors may grant the corporate clients rebates of cash, upgrade certificates, free Tickets, and lounge passes.

163. The Corporate Incentive Program is standard in the airline industry and without it the Debtors would be at a serious competitive disadvantage. The Debtors estimate the revenues related to the Corporate Incentive Program far outweigh the costs generated thereby. In 2023, the average cost of the Corporate Incentive Program constituted approximately 7% of the aggregate revenue from participating corporate clients.

164. ***Travel Agencies and Tour Operators.*** The Debtors have contracts with global, national, and regional travel agencies and tour operators for the sale of their services (collectively, the "Travel Agencies"). In 2023, the Debtors generated about 40% of their year-to-date passenger sales through Travel Agencies. Currently, the Debtors have incentive agreements with approximately 120 Travel Agencies (collectively, the "Travel Agency Programs"). The majority of such contracts have variable pay incentive structures, while several have fixed pay incentive structures. The Debtors estimate that accrued but unpaid travel commissions and incentives under the Travel Agency Programs (including commissions to general sales agents and third-party travel websites) for prepetition Ticket sales as of the Petition Date total approximately $5 million, which primarily relate to the month preceding the Petition Date. To sustain Travel Agencies' confidence,

the Debtors must be able to assure their most productive travel agents that all commissions will be paid. It is imperative that the Travel Agencies continue to sell the Debtors' services to the traveling public. Collectively, Travel Agencies typically generate average monthly sales far in excess of the aggregate commissions they receive and, in this case, far in excess of the prepetition commissions which the Debtors are seeking to pay.

165. To collect cash from Ticket sales made by the Travel Agencies and to remit commissions and incentives to such agencies, the Debtors rely on bank settlement plans ("BSPs") for non-U.S. Travel Agencies, Airline Reporting Corporation ("ARC") for U.S. Travel Agencies, and direct bank transfers for a large number of Brazilian Travel Agencies. In addition, Travel Agencies often have claims against airlines for refunds made to various customers. The airline industry utilizes a clearinghouse that remits monies owed to an airline from Travel Agencies and, in the ordinary course, offsets such monies against the commissions owed to each Travel Agency. For the third quarter of 2023, refunds processed through the BSPs and ARC were approximately 0.2% of the Debtors' total Ticket sales. Moreover, certain Travel Agencies hold credits from prepayments against which they may issue future tickets, and the Debtors intend on honoring these credits to maintain ongoing relationships with these Travel Agencies.

166. However, clearinghouses and Travel Agencies may not implement the aforementioned procedures where an airline is in bankruptcy with respect to setoffs that have not been processed as of the Petition Date absent relief from the automatic stay. In the absence of setoffs, Travel Agencies (even those to whom the Debtors do not owe refunds as of the Petition Date) might not remit the full amount (or, in some case, any) of their receipts from postpetition sales. Allowing Travel Agencies to refund prepetition tickets in accordance with regular prepetition procedures will greatly reduce the risk that Travel Agencies establish self-help

reserves. Permitting limited setoffs will expedite the Debtors' receipt of the proceeds of ticket sales generated by the Travel Agencies.

167. ***Tour Operations.*** The Debtor-entity Smiles Viagens e Turismo S.A. is a tour operating company that sells package vacations, accommodations, and local experiences (the "Tour Operations"). Smiles Viagens e Turismo S.A. provides a booking portal that allows customers to browse available destinations by activity type, destination region, and travel dates. The Tour Operations generate commission revenue from selling accommodations and local experiences, in addition to GOL flight revenues. In 2023, the Tour Operations generated over $50 million in gross bookings and created approximately $8 million in costs for hotel accommodations. As of the Petition Date, the approximate amount outstanding with respect to the Tour Operations is $500,000, which is owed to various hotel partners.

168. ***Charter Flights.*** The Debtors are party to several contracts to charter certain of their aircraft (the "Charter Program"). The Debtors provide ad hoc charter services to travel agencies, sports teams, and corporate clients. As of the Petition Date, the Debtors have sold approximately $15 million worth of reservations pursuant to their Charter Program for flights that will be operated postpetition. Further, the Debtors operate dedicated freighter aircraft on behalf of Mercado Livre. The Debtors currently operate six aircraft on behalf of Mercado Livre. The contract with Mercado Livre follows a common aircraft, crew, maintenance, and insurance ("ACMI") structure whereby the Debtors provide the ACMI, and Mercado Livre pays a contractual rate per block hour. In addition, Mercado Livre reimburses the Debtors for other direct operating costs such as fuel, airport fees, and handling charges.

169. ***Cargo Services Program.*** The Debtors provide air cargo services via their passenger aircraft and pursuant to agreements with other airlines and ground-based service

providers (the "Cargo Services Program"). For cargo services in Brazil, the Debtors sell directly to their customers. However, for international sales, the Debtors rely on a network of general sales agents to sell their cargo services (collectively, the "Cargo Sales Agencies"). Charges for domestic services are invoiced directly to the customers. Services sold through the Cargo Sales Agencies are settled through the International Air Transport Association Clearinghouse (the "Clearinghouse"). The cargo business is an important revenue source to the Debtors. In 2023, cargo sales accounted for approximately 5% of the Debtors' operating revenues.

170. Cargo Sales Agencies may have claims against the Debtors for refunds or overpayments. These claims are processed and cleared by the Clearinghouse. The Clearinghouse then remits monies owed to the Debtors from each Cargo Sales Agency or offsets the Cargo Sales Agencies' refund claims against monies owed to the Debtors. However, the Cargo Sales Agencies would not implement such procedures where an airline is in bankruptcy with respect to setoffs that have not been processed as of the petition date absent relief from the automatic stay. In the absence of setoffs, the Cargo Sales Agencies might not remit the full amount (or, in some case, any) of monies postpetition. Allowing the Cargo Sales Agencies to refund claims in accordance with regular prepetition procedures will greatly reduce the risk that Cargo Sales Agencies establish self-help reserves. Permitting limited setoffs will expedite the Debtors' receipt of the proceeds of cargo sales generated by the Cargo Sales Agencies. Historically, refund and overpayment claims have been very low, constituting less than 1% of total air cargo sales. The Debtors expect the rate of refunds or overpayment claims in the postpetition period to remain substantially the same.

171. ***Credit Card Arrangements.*** Certain of the Debtors are parties to agreements with credit card companies, merchant acquirers, and processors (collectively, the "Credit Card Parties"), pursuant to which the Debtors receive credit card payments, subject to

certain adjustments, returns, chargebacks, promotional and other fees, and refunds (collectively, the "Credit Card Arrangements" and, together with the Frequent Flyer Program, Lounges Program, Tickets, Refunds, and Travel Credits Programs, Promotional Program, Corporate Incentive Program, Travel Agency Programs, Tour Operators Program, Charter Program, and Cargo Services Program, the "Customer Programs"). Specifically, the settlement process for credit card transactions involves the credit card brand, the merchant acquirer, and the financial institution selected by the merchant as the bank responsible for receiving transaction payments from cardholders. A significant portion of the Debtors' revenue is generated through credit card purchases and charges. As part of the Credit Card Arrangements, the Debtors are required to pay the Credit Card Parties fees for their services.

172. Under the Credit Card Arrangements, when a credit card customer is owed a refund or is dissatisfied with the goods and services received and refuses to pay, or in the case of fraud or unrecognized charges, the Debtors must return, or "chargeback," to the applicable Credit Card Party any funds received (the "Chargebacks"). Chargebacks are typically satisfied by a reduction of payments owing to the Debtors under the processing agreements. It is possible that certain Chargebacks incurred by the Debtors prior to the Petition Date may not have been fully netted out against credit card payments the Debtors received prior to the Petition Date. Moreover, it may be argued that the Chargebacks arising after the Petition Date are prepetition obligations where the transaction underlying the Chargeback occurred prepetition.

173. The Debtors' continued ability to receive payment from customers via the Credit Card Arrangements and to honor and process credit card transactions is essential to the success of the Debtors' reorganization effort. Consumers take for granted the option to pay for flights by credit card. In order to maintain the Credit Card Arrangements, the Debtors must honor their

obligations owed to the Credit Card Parties, including payment of fees for their services and Chargebacks. Without the ability to honor and process credit card transactions, the Debtors will lose a significant method for conducting sales transactions. If the Debtors cannot offer consumers the option to pay by credit card, the Debtors' sales will be significantly impaired.

I. Critical Airline Motion

174. By the Interline and Clearinghouse Motion, the Debtors seek entry of interim and final orders (i) authorizing, but not directing, the Debtors to (a) assume certain Critical Airline Agreements, (b) satisfy certain prepetition obligations related thereto, and (c) enter into new Critical Airline Agreements, pending such assumption; (ii) modifying the automatic stay to effectuate the foregoing; and (iii) granting related relief.

175. ***Interline Agreements.*** The Debtors are party to several agreements with or administered by the International Air Transport Association ("IATA"), including the IATA Membership Agreement and IATA Multilateral Interline Traffic Agreements (collectively, the "IATA Agreements"), as well as approximately forty bilateral interline and electronic ticketing agreements with other airlines (the "Bilateral Agreements," and collectively with the IATA Agreements, the "Interline Agreements"). The Interline Agreements are an essential part of the Debtors' transportation services. These agreements facilitate cooperation among airlines with respect to critical activities such as making reservations and transferring passengers, freight, baggage, and mail between airlines. Most major airlines participate in some form of interline agreements because of the operating efficiencies obtained through their usage.

176. Pursuant to the Interline Agreements, airlines agree to accept each other's tickets for transportation over the other airline's systems. The Interline Agreements also facilitate the purchase of tickets through travel agents and enable travel agents and airlines to issue tickets with itineraries that involve more than one airline. If an Interline Agreement is not in place, a traveler

buying a ticket directly from an airline will be issued a ticket only for those segments of the itinerary that involve that airline, even though the desired itinerary might necessitate the use of a second airline. Similarly, if the traveler seeks to buy a ticket from a travel agent and no interline agreement is in place, the travel agent will be required to write separate tickets for each segment that involves distinct airlines, thus making it significantly less convenient for the travel agent to sell flights on an airline that is not part of the interline system.

177. Certain of the Interline Agreements include cover through check-in procedures, which allow passengers' luggage to be transferred from one airline to another. Requiring a passenger to retrieve his or her luggage and take it to the other airline would be an inefficient and time-consuming process. The Interline Agreements permit airlines to accomplish the transfer of luggage without unduly burdening passengers. In addition, airlines agree to provide cargo services for one another under the Interline Agreements. These arrangements obviate extraneous cargo handling and the need to have separate personnel and facilities devoted to cargo at each airport to which a carrier flies.

178. Some of the Interline Agreements terminate every year unless renewed by both parties and can be terminated by either party on thirty days' written notice. Certain other of the Debtors' Interline Agreements have an indefinite term but can be terminated by either party on thirty days' written notice. The Interline Agreements are critical to the Debtors' operation of their business. The Debtors cannot afford the risk of any of the counterparties to the Interline Agreements questioning the Debtors' ability to continue participating in the Interline Agreements. Even the slightest interruption in the Debtors' ability to seamlessly integrate their ticketing, passenger, cargo, and other services with those of other airlines could be disastrous to the Debtors' businesses and cripple their opportunity to reorganize. Without these agreements and

relationships, the Debtors' passengers and airline partners would be alienated, and the Debtor would be deprived of much needed future cash streams.

179. ***Codeshare Agreements.*** The Debtors have signed codeshare agreements with fourteen other airlines (the "Codeshare Agreements"). As a part of the Codeshare Agreements, these airlines offer transportation of passengers under the Debtors' flight designator codes, and under which the Debtors, in certain circumstances, carry passengers under other airlines' designator codes. Pursuant to a Codeshare Agreement, a marketing airline markets and sells air transportation to its passengers in conjunction with the scheduled services provided by another airline. The Debtors are also party to two-way Codeshare Agreements whereby tickets may be sold by both airlines party to the agreement. The Debtors' codeshare network affords customers access to more than 130 destinations and nearly 260 additional routes that complement the network operated directly by the Debtors. Maintaining a strong relationship with the counterparties to the Codeshare Agreements is vital to the Debtors' operations because those relationships enable the traveling public to make convenient connections at airports served by the Debtors for, among other things, various destinations. Without these connections, the size and scope of the Debtors' network would be significantly reduced, and the Debtors would be unable to maintain competitive levels of passengers and cargo traffic.

180. ***Frequent Flyer Program Agreements.*** The Debtors also have frequent flyer program agreements (the "Frequent Flyer Program Agreements") with various airlines that are settled through Clearinghouses or directly with the counterparty airline. Pursuant to the Frequent Flyer Program Agreements, each airline agrees to offer the members of its frequent flyer program the opportunity to accrue benefits and sometimes to utilize program awards for travel on the other airlines' flights.

181. ***The Airline Clearinghouse Agreements.*** The Debtors settle their mutual payment obligations arising under many of their agreements with other airlines and various other airline-associated companies, including the Interline Agreements, Codeshare Agreements, and Frequent Flyer Program Agreements, through the IATA Clearinghouse and the Brazilian National Union of Airlines (SNEA) (collectively, the "Clearinghouses"). The Debtors' participation in the Clearinghouses is governed by agreements with the Clearinghouses, and agreements through which the Debtors provide invoicing and other billing related information to the Clearinghouses (collectively, the "Airline Clearinghouse Agreements"). The settlements through the Clearinghouses include amounts related to passenger, airfreight, frequent flyer program, Universal Air Travel Plan ("UATP"),[22] and non-transportation billings. As participants in the Clearinghouses, the Debtors settle obligations with other airlines through the Clearinghouses.

182. On a weekly basis, the Clearinghouses aggregate the amounts invoiced by other airlines to the Debtors, and by the Debtors to other airlines, and calculate a net balance. For any given period, the Debtors may be required to make net payments to the other participants, or they may be entitled to receive net payments from the other participants. Settlements among Clearinghouse participants for billings attributable to transactions in any given period normally occur within eight to ten business days after the close of the transaction period. As a result, billings that have been settled through the Clearinghouses remain subject to audit and adjustments under rejection/chargeback, rebilling, and dispute resolution procedures set forth in the applicable Clearinghouse rules. For 2023, the Debtors made cumulative net settlement payments of approximately $103 million through the Clearinghouses. The Airline Clearinghouse Agreements are critical to the Debtors' business operations. The Debtors' inability to preserve the Airline

[22] UATP is a global payment network for the travel industry.

Clearinghouse Agreements would make it impossible for the Debtors to perform under other agreements described herein and provide necessary services to their customers.

183. ***Other Airline and Industry Agreements.*** The Debtors are party to various other agreements with other airlines including reprotection agreements, lounge access agreements, and agreements regarding maintenance and other services with other airlines (collectively, the "Other Airline Agreements"). Certain of these agreements allow the Debtors, among other things, to smoothly operate in areas where they do not otherwise have their own substantial support presence. For example, under the reprotection agreements, the Debtors and other airlines may accept passengers from other airlines when their flights have been delayed or cancelled. As such, the Other Airline Agreements are crucial to the Debtors' continued business operations.

184. In addition, the Debtors are party to industry-standard fare publication, booking, and other industry agreements, such as agreements with the Airline Tariff Publishing Company, Billing and Settlement Plan Agreements ("BSPs"), and certain other agreements (the "Industry Agreements," together with the Other Airline Agreements, the "Other Airline and Industry Agreements," and together with the Interline Agreements, Codeshare Agreements, Frequent Flyer Program Agreements, and Airline Clearinghouse Agreements, the "Critical Airline Agreements"). The Industry Agreements facilitate transactions amongst airlines and also provide for fare publication, appointment of travel agencies, and foreign currency clearing procedures, among other things. As such, the Debtors' ability to continue performing under the Industry Agreements is important to their operations.

J. Derivatives Contract Motion

185. By the Derivatives Contract Motion, the Debtors seek entry of interim and final orders (i) authorizing them to (a) enter into, terminate, and/or continue performance under the

Derivative Contracts and (b) perform such ancillary transactions as may be necessary to implement or terminate such contracts, including providing credit support; and (ii) granting related relief.

186. As is the case with all major airlines conducting business globally, the Debtors' business is sensitive to fluctuations in foreign currency exchange rates, interest rates, and certain commodities prices. Consequently, the Debtors—principally GOL Linhas Aéreas S.A. and AirFim—are, and have historically been, parties to numerous derivative contracts to reduce the risks associated with these fluctuations. Such contracts have included forward and option contracts (collectively, and together with all similar hedging and derivative contracts, the "Derivative Contracts") concerning (i) aircraft fuel, (ii) currency exchange rates, and (iii) interest rates (each as described in detail in the Derivatives Contract Motion). The Debtors enter into the Derivative Contracts to hedge operational risk associated with commodities, currency, and interest rate fluctuation. The Debtors do not engage in proprietary or speculative trading activities.

187. The Debtors' entry into Derivative Contracts are executed, pursuant to a hedging policy (the "Hedging Policy") that is implemented by their internal risk management committee (the "Risk Management Team") and overseen by their risk policies committee (the "Risk Policies Committee") which is comprised of members of the board of directors, external consultants, and senior management. The Hedging Policy outlines certain hedge ratio targets, authorized instruments, appropriate limits, a budget, and volume triggers. However, the Risk Policies Committee has authority to deviate from the Hedging Policy. The Risk Policies Committee meets monthly, or more often if called, to focus on specific targets. The Risk Management Team makes recommendations to the Risk Policies Committee in line with the Hedging Policy. The Risk Management Team then executes the proposals once approved by the Risk Policies Committee.

188. Generally, Derivative Contracts are governed by and documented in the form of (i) master agreements, (ii) confirmations issued under general terms and conditions, (iii) enabling agreements, or (iv) single transaction agreements. Such contracts usually provide that they may be terminated upon the occurrence of specified events. Upon such termination, both parties may cease further performance, and aggregate amounts owed by each party may be "netted", thereby providing for a net settlement payment from one party to the other. In order to execute trades related to the Derivative Contracts where a master agreement is used, the Debtors enter into an International Swap and Derivatives Association Inc. Master Agreement ("ISDA Master Agreement") or Brazilian *Contrato Geral de Derivativos* ("CGD") with each counterparty. The ISDA Master Agreement is a standard contract that governs over-the-counter Derivative Contracts in international capital markets entered between the Debtors and the respective counterparties. The CGD, on the other hand, is a standard contract that governs Derivative Contracts in Brazilian capital markets entered into between the Debtors and the respective counterparties.

189. Derivative Contracts typically include provisions for collateral support and obligations to post margin. Posting margin requires participants to periodically deposit money with their counterparties based on the mark-to-market values of the Derivative Contracts. A re-evaluation of the credit support requirement occurs periodically throughout the term of each Derivative Contract. Re-evaluation often results in one party having either to provide additional collateral or return some of the existing collateral.

190. The following is a description of the primary types of risk for which the Debtors have historically utilized Derivative Contracts:

191. ***Aircraft Fuel Costs***. As an airline, the Debtors are particularly susceptible to any fluctuations in the price of fuel for their fleet, as approximately 40% of the Debtors' total expenses are related to fuel. Aircraft fuel prices fluctuate due to the volatility of the price of crude oil. Accordingly, in the ordinary course of business, the Debtors maintain a fuel hedging program (the "Fuel Hedging Program") whereby they enter into fuel hedging agreements with certain counterparties to provide for price protection in connection with the purchase of fuel.

192. The Debtors use different instruments to hedge their exposure to the price of fuel. The choice depends on factors such as liquidity in the market, the market price of the components, levels of volatility, availability, and margin deposit requirements. The Fuel Hedging Program contemplates that the Debtors may enter into Derivative Contracts in order to hedge the price of aircraft fuel with products that include, but are not limited to, West Texas Intermediate Crude Oil, ICE Brent Crude Oil, and NYMEX Heating Oil. The Fuel Hedging Program is based on forwards, calls, call spreads, collars, and other similar combinations of option contracts related to fuel.

193. The Debtors do not currently post collateral for their aircraft fuel options contracts, although they have done so historically in certain circumstances. The Debtors pay a premium for the purchased options. As a result, the Debtors' maximum exposure under such options will be the value of the premiums paid and any required fees, and the Debtors are not at risk for a margin call. These options contracts allow the Debtors to efficiently hedge their exposure to fluctuations in the price of aircraft fuel. The average amount of premiums for Derivatives Contracts related to aircraft fuel over the past year is approximately $250,000 per contract.

194. Based on the Debtors' 2023 consumption and price of aircraft fuel, a 10% increase in fuel cost would generally result in a $130 million increase in the Debtors' fuel expense. The Debtors historically have entered into Derivative Contracts for up to 50% of the next twelve

months projected aircraft fuel consumption. However, the Debtors can enter into Derivative Contracts for a higher percentage of the projected aircraft fuel consumption pursuant to the Hedging Policy. The amount of aircraft fuel that is hedged by the Debtors in any particular year and at any particular time depends on a variety of factors relating to the price of aircraft fuel and the relative cost of entering into Derivative Contracts to hedge the Debtors' exposure to fluctuations.

195. ***Foreign Exchange Rates.*** In the regular course of its operations, the Debtors: (i) are required to maintain U.S. dollar denominated deposits and maintenance reserve deposits under the terms of some of their aircraft operating leases, (ii) incur additional U.S. dollar denominated leases or financial obligations and U.S. dollar denominated indebtedness (approximately 95% of the Debtors' total debt), (iii) are subject to fuel cost increases linked to the U.S. dollar, and (iv) have recurring sales, investments, and capital expenditures in U.S. dollars, mainly as a result of international routes in South and North America. As such, fluctuations in foreign currency exchange rates between the Brazilian *real* and the U.S. dollar may significantly affect their operations. To manage or reduce the risks associated with fluctuations in foreign currency exchange rates, the Debtors historically have entered into Derivative Contracts based on the value of the U.S. dollar relative to the Brazilian *real* (the "Foreign Exchange Hedging Program").

196. The Foreign Exchange Hedging Program is based on non-deliverable forwards, futures, call options, call spreads, zero call collars, and other similar combinations of option contracts related to foreign exchange rates. A currency forward contract locks in an exchange rate for the purchase or sale of a currency on a future date. The forward contracts do not involve any upfront payment, but rather only a settlement payment at a future date.

197. The Debtors typically enter into Derivative Contracts under the Foreign Exchange Hedging Program to protect against exposure to U.S. dollar denominated obligations for approximately six months into the future. The Debtors do not currently post collateral support pursuant to the Foreign Exchange Hedging Program; however, they have historically, and may continue to do so going forward in the ordinary course of business. Further, the Debtors also enter into certain Derivative Contracts that provide embedded protection for both fuel cost and foreign exchange risk related to U.S. dollars. These instruments allow the Debtors to hedge both key operational risks—fuel and foreign exchange rates—under one Derivative Contract.

198. Over the past four months, the average notional amount for each futures transaction pursuant to the Foreign Exchange Hedging Program was $500,000. The Debtors' accumulated profit as a result of over $6 million worth of such transactions was only approximately $54,000. Further, over the past year, the average notional amount for each options transaction pursuant to the Foreign Exchange Hedging Program was approximately $6,500,000. The Debtors cumulatively lost $262,000 as a result of all such options positions. Although the Debtors may in certain instances generate a profit from the Foreign Exchange Hedging Program, these profits are *di minimis* compared to the notional value of the transactions. This is simply a result of market fluctuations and not speculative trading.

199. ***Interest Rates.*** Historically, the Debtors' strategy for interest rate risk management combines fixed and floating interest rates and establishes if it will be necessary to expand or reduce the interest rate exposures. Such interest rate exposures are primarily related to Secured Overnight Financing Rate (or SOFR) (and previously London Inter-Bank Offered Rate (or LIBOR)) under new aircraft deliveries. Currently, the Debtors do not actively hedge interest rate risk and only

carry forward any balances and mark-to-market variations on the previously implemented hedging strategy, for internal accounting purposes.

K. Non-U.S. Vendor Motion

200. By the Critical-Foreign Vendor Motion, the Debtors seek entry of interim and final orders, (i) authorizing the Debtors to pay the prepetition obligations owed to Non-U.S. Vendors and to continue performing under related agreements; (ii) authorizing certain Non-U.S. Vendors to, subject to the prior written permission of the Debtors, exercise their setoff and recoupment rights to apply any prepetition credits or prepayments towards the Debtors' outstanding obligations; (iii) granting related relief.

201. ***Non-U.S. Vendors.*** Given the global nature of their services, the Debtors must necessarily procure a significant amount of goods and services from vendors with little to no connection with the United States. Indeed, as an airline based in Brazil, the majority of the Debtors' operations are conducted outside of the United States. International destinations serviced by the Debtors include approximately seventy-five destinations in eight countries in South America and North America. Thus, the Debtors' viability as a going concern is disproportionately dependent upon the maintenance of their foreign operations.

202. Further, the Debtors operate in a highly specialized, highly regulated, and highly competitive industry. The uniqueness and competitiveness of the airline industry, coupled with the highly regulated venue in which airlines must operate, leave airlines with few options with respect to certain vendors and service providers. Even where more than one vendor can be located to provide a service, regulations promulgated by the Federal Aviation Administration ("FAA") and international equivalents—such as National Civil Aviation Agency of Brazil (*Agência Nacional de Aviação Civil*, or "ANAC")—may inhibit an airline's ability to switch expeditiously from one supplier of goods or services to another.

203. In the ordinary course of business, and to maintain their foreign operations, the Debtors make payments to various non-U.S. vendors and service providers from whom the Debtors purchase various goods and services (collectively, the "Non-U.S. Vendors"). Some of the Debtors' obligations to the Non-U.S. Vendors—approximately $170 million—have accrued but remain unpaid as of the Petition Date.

204. Many of the Non-U.S. Vendors, who are located in foreign countries with little to no contacts in the United States, may not be willing to do business with a "Chapter 11 Debtor" absent payment of their prepetition claims (such claims, the "Non-U.S. Vendor Claims"). If the Non-U.S. Vendors are not paid, they could withhold vital goods and services from the Debtors and thereby cause an interruption of service on the Debtors' foreign routes. Such service interruption could have drastic consequences to the operations of the Debtors' business due to the Debtors' dependence on their foreign operations, the lack of alternative foreign suppliers or service providers in many situations, and the amount of time needed to locate and convert to alternative supply or service sources in foreign countries.

205. Despite the global reach of the automatic stay, it is also possible (if not likely) that certain Non-U.S. Vendors could seek to enforce their claims against the Debtors in foreign jurisdictions or otherwise interfere with the Debtors' business outside the United States. Further, the Debtors believe based on the experience of their personnel that if they do not pay prepetition obligations owed to Non-U.S. Vendors, there is a significant risk that Non-U.S. Vendors will commence actions against one or more of the Debtors in foreign courts or exercise other self-help remedies in an effort to recover such prepetition amounts. Such actions would have both an immediate and negative effect on the Debtors' ability to operate and would have long-term effects on the Debtors' ability to attract new business. If the Debtors were unable to pay these prepetition

amounts, this would disrupt service, undermine customer confidence in the Debtors' business, and could require the attention and resources of the Debtors' management team at a time when the Debtors are keenly focused on their restructuring.

206. The Non-U.S. Vendors provide the Debtors with a wide array of services as set forth in greater detail below:

- ***Maintenance Services and Parts Suppliers***. The Debtors rely on Non-U.S. Vendors to service, repair, and maintain their aircraft at domestic and international airports. For example, as part of their maintenance of aircraft located throughout Latin America, the Debtors regularly repair or purchase parts from other airlines operating at the same airports and employ various persons to perform "line maintenance." Further, the Debtors rely on certain Non-U.S. Vendors to provide local repair services to avoid extended shipping times and delays in connection with shipping aircraft parts for repair to the United States. The Debtors' relationships with maintenance and repair service providers are subject to many mandatory layers of oversight and control by the FAA and other international regulatory agencies, including ANAC, the original equipment manufacturers, and the Debtors' engineers. Maintenance service providers are difficult to source because they are subject to mandatory certification and approval by several entities prior to an airline being able to use the services. Therefore, the Debtors' options for maintenance service providers are limited. Aircraft maintenance service providers are also subject to licensing, certification, or approval of the FAA and other international regulatory agencies, including ANAC. The Debtors also depend on local aircraft part suppliers to adequately equip their aircraft and ensure the operability of their fleet. Unlike in other industries where parts and suppliers may be easily substituted, aircraft parts and equipment are often designed specifically for the aircraft in question. Many of such parts are difficult to ship and must be supplied locally. As a result, these aircraft parts suppliers are intimately familiar with the Debtors' fleet and will be difficult to replace.

- ***Goods and Service Providers***. The Debtors regularly make payments to Non-U.S. Vendors that supply food, drink, and other goods to the Debtors for use in connection with their day-to-day domestic and international operations, including for in-flight services provided to passengers. The delivery of these goods requires specialized equipment and trained employees. Each airport at which the Debtors operate only has a limited number of Non-U.S. Vendors that are able to provide these goods and services.

- ***Information Technology and Communications Providers***. The Debtors' business requires a vast and complex set of management and information systems. To sustain their complex flight operations, the Debtors require, among other things, timely communication with their aircraft and access to critical data, including air traffic, weather patterns, and other information affecting the ability to safely and

effectively navigate and communicate with their aircraft. The Debtors also require certain administrative services such as management of information technology operations and systems maintenance. These information technology system and software providers and digital strategy advisors are necessary to facilitate adequate cybersecurity and airline operations and maintain the Debtors' online platforms. The applications and infrastructure knowledge of these suppliers for the Debtors' information technology environment is unique to the airline industry and critical to ongoing operations. These systems are highly customized for and integrated within the Debtors' business. Replacement systems could be less than completely adequate and would require comprehensive and lengthy testing and integration. Even if the Debtors could replace these suppliers and service providers, replacement would take substantial time at great cost to the Debtors' business. Without reliable access to all of these critical systems, the Debtors' aircraft would be grounded.

- ***Staff Travel, Accommodation, and Freight Transportation Services***. The Debtors provide certain products and services to support their employees throughout Brazil and in other jurisdictions in which they operate. The Debtors have agreements in place with several hotels that provide lodging for crew members (as well as passengers in the event of irregular operations, such as overnight delays). The Debtors also contract with certain transportation service providers to provide ground transportation and baggage delivery services for crew members and passengers. Additionally, the Debtors utilize cargo trucking and delivery services as part of their cargo operations. The Debtors have developed strong, longstanding relationships with these Non-U.S. Vendors, and as such, the Debtors have been able to negotiate favorable pricing terms. Requiring the Debtors to rebuild their network of Non-U.S. Vendors who provide accommodation and transportation services for employees would be costly, time-consuming, and burdensome for the Debtors' management team.

- ***Fuel Suppliers and Related Services***. The Debtors purchase aircraft fuel directly from several fuel suppliers (the "Fuel Suppliers") pursuant to fuel supply contracts in both Latin America and the United States. An uninterrupted and ready fuel supply is critical to the Debtors' continued operations and ability to operate their fleet. The Debtors cannot readily replace the fuel supplied by fuel suppliers from any other providers on similar terms and conditions because there are generally only a few suppliers at Latin American airports. The Debtors also use certain fuel suppliers in their capacity as fuel brokers to provide fuel for diversion flights, ferry flights, and charter flights at stations that the Debtors do not regularly serve.

  One of the fuel suppliers—Vibra Energia ("Vibra")—accounts for approximately 96% of the total volume of the Debtors' aircraft fuel purchases. Vibra is the largest fuel supplier in Brazil, and the only other two fuel suppliers in the country would be unable to cover the Debtors' needs. Vibra is a complete, all-in-one, provider of fuel, fuel storage, fuel transportation, and into-wing services for the Debtors aircraft fleet. The Debtors have an ongoing supply/purchase agreement with Vibra.

207. The global nature of the Debtors' business is a key source of revenue and a major factor in the overall reputation of the Debtors and the loyalty of their customers. To preserve the value of the Debtors' assets, the Debtors therefore must have the ability to continue to fund and maintain their international operations on an uninterrupted basis through the payment of the Non-U.S. Claims and performance under related agreements.

L. Section 503(b) Motion

208. By the Section 503(b) Motion, the Debtors seek entry of an order (i) authorizing, but not directing, the Debtors to pay undisputed prepetition claims on account of goods received by the Debtors within twenty days before the Petition Date (the "503(b)(9) Claims") and (ii) granting related relief. In each case, the Debtors request authority to make such payments only as they come due in the ordinary course of business. I understand from Debtors' advisors that Section 503(b)(9) of the Bankruptcy Code provides for the allowance, as an administrative expense, of claims for the value of any goods sold to a debtor in the ordinary course of business and received by a debtor within twenty days before the Petition Date.

209. In the ordinary course of business, the Debtors rely on an extensive network of vendors and suppliers that provide the Debtors with various aircraft parts, supplies, consumables, and other goods (the "Goods") on an ongoing or order-by-order basis. Due to the international nature of the Debtors' operations, the shipment of Goods must be precisely coordinated across a widely dispersed collection of hubs and other facilities to accord with changing flight and maintenance schedules.

210. The Debtors have not yet paid for certain Goods delivered within the twenty-day period immediately prior to the Petition Date. Importantly, the Debtors have crucial and commercially favorable relationships with many of the vendors entitled to assert such claims

(collectively, the "503(b) Claimants"), which total, in the aggregate, approximately $40 million as of the Petition Date.

211. While the Debtors benefit from an established course of dealing with many of the 503(b) Claimants, certain arrangements between the parties are not governed by long-term contracts or master agreements. Instead, the Goods are often supplied on an order-by-order basis. Without the assurance of prompt payment in the ordinary course, the 503(b) Claimants may, on a go-forward basis, demand substantial concessions, refuse to ship previously ordered goods, recall existing shipments, or entirely cease doing business with the Debtors. Each of these contingencies poses a significant risk to the Debtors' ongoing operations and liquidity position as they work to implement a global restructuring.

M. Reclamation Procedures Motion

212. By the Reclamation Procedures Motion, the Debtors request entry of an order (i) establishing exclusive procedures (the "Reclamation Procedures") for the assertion and resolution of all unpaid claims (the "Reclamation Claims") whose holders seek reclamation of Goods and (ii) prohibiting Sellers from taking any other remedial action with respect to Goods, including any effort to reclaim the same.

213. Prior to the Petition Date, in the ordinary course of business, the Debtors purchased on credit a variety of parts, supplies, and other goods used in their operations (collectively, the "Goods"). As of the Petition Date, the Debtors were in possession of certain Goods that had been delivered to them, but for which they had not yet been invoiced or made payment to the applicable vendors. As a result of the commencement of these Chapter 11 Cases, the various vendors (collectively, the "Sellers") may seek to reclaim, or take other remedial action with respect to, the Goods. To avoid piecemeal litigation that would interfere with the Debtors' efforts to preserve enterprise value and successfully reorganize, the Debtors seek to establish the Reclamation

Procedures for the reconciliation and allowance of Reclamation Claims. The Debtors submit that the Reclamation Procedures will effectively and efficiently streamline the process of resolving Reclamation Claims to the benefit of the Debtors, the Sellers, and the Debtors' estates.

N. Sale and Leaseback Motion

214. By the Sale and Leaseback Motion, the Debtors seek entry of an order, (i) authorizing the Debtors to enter into sale and leaseback transaction agreements (the "SL Transaction Agreements") substantially on the terms set forth in the letter of intent from AerCap Holdings N.V. ("AerCap", and such letter of intent, the "Letter of Intent"), (ii) modifying the automatic stay to the extent necessary to implement the SLB Transaction Agreement, and (iii) granting related relief. In support of the relief requested in the Sale and Leaseback Motion, the Debtors submit the *Declaration of Gregory S. Ethier in Support of Debtors' Motion for Entry of an Order (I) Authorizing Them to Enter into Sale and Leaseback Agreements with AerCap Holdings N.V. And (II) Granting Related Relief.*

215. In the ordinary course of business, the Debtors enter into sale and leaseback transactions to finance the acquisition of new aircraft. *See* Ethier Decl. ¶ 5. As explained in the Ethier Declaration, the Debtors were able to obtain favorable market terms through the Letter of Intent for the SLB Transaction Agreements following arm's length, good faith negotiations with AerCap. *See id.* ¶ 6. The Debtors selected AerCap's offer because of AerCap's willingness to close on an expedited basis and because the SLB Transaction Agreement will facilitate negotiations regarding the broader restructuring of the Debtors' obligations with AerCap. *See id.* ¶ 8. The Letter of Intent sets out the principal commercial terms for the SLB Transaction Agreement with respect to one Boeing B737-8MAX aircraft.

O. Motion to Seal

216. By the Motion to Seal, the Debtors seek entry of an order, for authority to file under seal certain information in connection with the Sale and Leaseback Motion and (ii) granting related relief. The Debtors propose to provide unredacted copies of the Sale and Leaseback Motion and the Letter of Intent to (a) this Court and (b) the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") on a strictly confidential basis.

217. The Letter of Intent, attached as an exhibit to the Sale and Leaseback Motion, contains sensitive, confidential, commercial information of the Debtors, including information relating to Debtors' agreements with AerCap over key terms of the SLB Transaction Agreements (the "Confidential Information"). The text of the Sale and Leaseback Motion also discloses certain pieces of Confidential Information. The Debtors are in the midst of negotiations with many potential aircraft counterparties. If the SLB Transaction Agreements are disclosed to the public, their terms would effectively become the starting place for future negotiations. Thus, the Debtors would be unlikely to obtain terms that are superior to those it has negotiated with AerCap. Because of this harm to the Debtors—which would be both probable and severe—the Letter of Intent and the Confidential Information contained therein should not be publicly disclosed.

CONCLUSION

218. The foregoing account describes the Debtors' business and capital structure, the factors that precipitated the commencement of these Chapter 11 Cases, and the critical need for the Debtors to restructure their financial affairs and operations. The provisions of the Bankruptcy Code will assist the Debtors in achieving their financial reorganization, help stabilize their operations, strengthen their balance sheet, and position them as a healthy economic enterprise able to effectively compete in the airline industry for the benefit of their economic stakeholders and employees.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: January 25, 2024

/s/ Joseph “Jay” Bliley

Exhibit A

GOL Organizational and Debt Structure

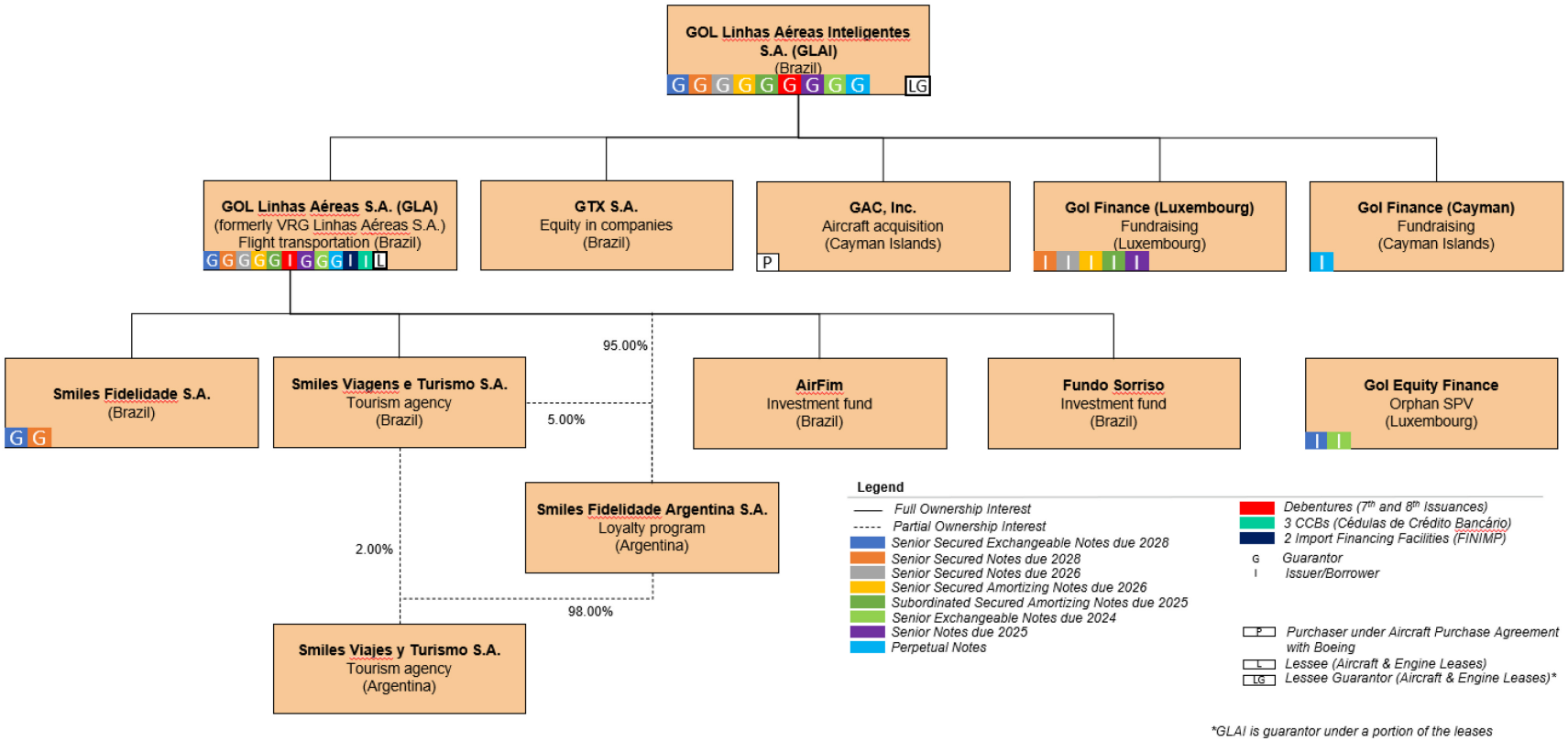


Exhibit B

Committees Organized Prepetition

Prepetition Committee	Counsel	Members
Ad Hoc Group of Abra Noteholders	Dechert LLP	Various holders of 2028 Senior Secured Exchangeable Notes and 2028 Senior Secured Notes
Ad Hoc Group of 2026 Noteholders	Hogan Lovells	Various holders of 2026 Senior Secured Notes

Exhibit C

Consolidated List of 20 Largest Unsecured Creditors (Excluding Insiders)

Order	Name of Creditor and Mailing Address	Name, Phone Number, and/or Email Address of Creditor Contact	Nature of the Claim	Indicate if Claim is Contingent, Unliquidated, Disputed, or Partially Secured	Amount of Claim ($USD)
1	THE BANK OF NEW YORK MELLON – 101 BARCLAY STREET, FLOOR 7 EAST – NEW YORK, NEW YORK 10268	Costa, Carlos (carlos.costa@bnymellon.com); Kovacheva, Reneta (Reneta.Kovacheva@bnymellon.com)	Senior Notes Due 2025	N/A	$353,815,798
2	COMANDO DA AERONAUTICA – RUA GEN JUSTO 160, RIO DE JANEIRO, RJ 20021-130, BR	naoinformado@naoinformado.com.br 55 (11) 50982000	Trade Debt	N/A	$222,542,075
3	THE BANK OF NEW YORK MELLON – 101 BARCLAY STREET, FLOOR 7 EAST – NEW YORK, NEW YORK 10268	Costa, Carlos (carlos.costa@bnymellon.com); Kovacheva, Reneta (Reneta.Kovacheva@bnymellon.com)	Perpetual Bonds	N/A	$142,185,236

Order	Name of Creditor and Mailing Address	Name, Phone Number, and/or Email Address of Creditor Contact	Nature of the Claim	Indicate if Claim is Contingent, Unliquidated, Disputed, or Partially Secured	Amount of Claim ($USD)
4	VIBRA ENERGIA S/A - RUA SALGADO FILHO S/N, AER SANTOS, RIO DE JANEIRO, RJ, 23535-380, BR	(85) 695325468; sac@sac.com.br	Trade Debt	N/A	$91,463,415
5	THE BANK OF NEW YORK MELLON – 101 BARCLAY STREET, FLOOR 7 EAST – NEW YORK, NEW YORK 10268	Costa, Carlos (carlos.costa@bnymellon.com); Kovacheva, Reneta (Reneta.Kovacheva@bnymellon.com)	Senior Notes Due 2024	N/A	$42,953,404
6	BOEING COMMERCIAL AIRPLANE – 7500 RUA EAST MARGINAL WAY SOUTH, SEATTLE, WA, 98108, US	tammy.a.breaux@boeing.com	Trade Debt	Unliquidated	$15,249,150

Order	Name of Creditor and Mailing Address	Name, Phone Number, and/or Email Address of Creditor Contact	Nature of the Claim	Indicate if Claim is Contingent, Unliquidated, Disputed, or Partially Secured	Amount of Claim ($USD)
7	EMPRESA BRASILEIRA DE INFRAESTRUTUR – AEROPORTO SETOR DE CONC, LT 5 ED SE, BRASILIA, DF, 71608-050, BR	(61) 33122562; presidencia@infraero.gov.br	Trade Debt	N/A	$15,046,520
8	CFM INTERNATIONAL INC. – SN RUA PO BOX 15514 INTERSTATE, OHIO, OH, 45215, US	55 (577) 77800000; monthlyreports@ses.ie	Trade Debt	Unliquidated	$13,585,437
9	CONCESSIONARIA DO AEROPORTO INTERNA – AVENIDA DEPUTADO DIOMÍCIO FREI 3393, FLORIANÃ“POLIS, SC, 88047-402, BR	(48) 33314114; camila.yamaguti@floripa-airport.com	Trade Debt	Unliquidated	$11,995,624

Order	Name of Creditor and Mailing Address	Name, Phone Number, and/or Email Address of Creditor Contact	Nature of the Claim	Indicate if Claim is Contingent, Unliquidated, Disputed, or Partially Secured	Amount of Claim ($USD)
10	SECURITIES AND EXCHANGE COMMISSION – 95800 RUA RELEASE NO 95800, WASHINGTON, EX, 1, US	ogc_legal@sec.gov.ph	Tax Liability	N/A	$9,392,588
11	MINISTERIO DA FAZENDA – AVENIDA AV.PRESIDENTE 375, SALA 214, RIO DE JANEIRO, RJ, 20020-010, BR	55 (21) 2334-4300; gabinete.ministro@fazenda.gov.br	Tax Liability	Unliquidated	$7,388,167
12	INTERNATIONAL AIR TRANSPORT ASSOCIA – SN RUA 800 PLACE VICTORIA, P.O BOX, MONTREAL, EX, 0, CA	55 (11) 50980000; AP-MIA-Tradeshift@iata.org	Trade Debt	N/A	$7,314,524

Order	Name of Creditor and Mailing Address	Name, Phone Number, and/or Email Address of Creditor Contact	Nature of the Claim	Indicate if Claim is Contingent, Unliquidated, Disputed, or Partially Secured	Amount of Claim ($USD)
13	SABRE GLBL INC – S/N 10Âª RUA 3150 SABRE DR, SOUTHLAKE, 0, 0, US	55 (11) 31461541; eduardo.wakami@sabre.com	Trade Debt	N/A	$5,691,381
14	ALMAP BBDO PUBLICIDADE E COMUNICACO – AVENIDA ROQUE PETRON 999, AND 3 5 E, SAO PAULO, SP, 04707-000, BR	(11) 23954000; almap@almapbbdo.com.br	Trade Debt	N/A	$4,050,512
15	HONEYWELL AIRCRAFT LANDING SYSTEMS – SN RUA E. SKY HARBOR CIRCLE, PHOENIX, AZ, 85034000, US	cesar.basler@honeywell.com	Trade Debt	Unliquidated	$2,526,767

Order	Name of Creditor and Mailing Address	Name, Phone Number, and/or Email Address of Creditor Contact	Nature of the Claim	Indicate if Claim is Contingent, Unliquidated, Disputed, or Partially Secured	Amount of Claim ($USD)
16	JEPPESEN SANDERSON, INC. – RUA 55 INVERNESS DRIVE, COLORADO, ENGLEWOOD, 0, 0, US	captain@jeppesen.com	Trade Debt	N/A	$2,433,415
17	JEPPESEN SYSTEMS AB – RUA BOX 192, 401 23 GOT, NAO INFORMADO, EX, 0, SE	captain@jeppesen.com	Trade Debt	N/A	$2,374,676
18	KLM ROYAL DUTCH AIRLINES – RUA PO BOX 7700 1117 ZL SC, THE NETHERLANDS, EX, 0, NL	mail@klm-info.com	Trade Debt	N/A	$2,367,281

Order	Name of Creditor and Mailing Address	Name, Phone Number, and/or Email Address of Creditor Contact	Nature of the Claim	Indicate if Claim is Contingent, Unliquidated, Disputed, or Partially Secured	Amount of Claim ($USD)
19	MASTER FREIGHT TRANSPORTES INTERNAC – RUA 8925 NW 26 STREET, MIAMI , FL, MIAMI, FL, 0, US	55 (11) 50980000; contact@masterfreight.com	Trade Debt	N/A	$2,337,538
20	SAFRAN LANDING SYSTEMS MRO – SN RUA BATIMENT 60 A ROND-POINT, SN, CHATELLERAULT, EX, 0, FR	55 (11) 50982000; aogcsc.sls@safrangroup.com	Trade Debt	Unliquidated	$2,304,029

Exhibit D

Consolidated List of the Five (5) Largest Secured Creditors

	Name of Creditor and Mailing Address	Name and Email Address of Creditor Contact	Nature of the Claim (*e.g.*, bank debt, trade debt, real property lease obligations, litigation)	Amount of Claim ($USD)	Description of Collateral
1	ABRA GLOBAL FINANCE – WILLOW HOUSE, CRICKET SQUARE, 4TH FLOOR, GRAND CAYMAN KY1-9010, CAYMAN ISLANDS	Jorge Marin (jmm@abragroup.net)	Senior Exchangeable Notes (2028)	$1,251,818,604	GOL intellectual property, spare parts, and Smiles intellectual property
2	BANCO DE BRASIL S.A. - AV PAULISTA, 1230 7° ANDAR, B VISTA, CEP 01310-100	Rodrigo Szabo Luiz (rodrigoszabo@bb.com.br)	Factoring	$391,663,491	GOL Accounts Receivable

	Name of Creditor and Mailing Address	Name and Email Address of Creditor Contact	Nature of the Claim (*e.g.*, bank debt, trade debt, real property lease obligations, litigation)	Amount of Claim ($USD)	Description of Collateral
3	THE BANK OF NEW YORK MELLON – 101 BARCLAY STREET, FLOOR 7 EAST – NEW YORK, NEW YORK 10268	Carlos Costa (carlos.costa@bnymellon.com); Reneta Kovacheva (Reneta.Kovacheva@bnymellon.com)	Senior Notes (2026) - Mercado - SN 2026	$252,342,127	GOL intellectual property and spare parts
4	ABRA GLOBAL FINANCE – WILLOW HOUSE, CRICKET SQUARE, 4TH FLOOR, GRAND CAYMAN KY1-9010, CAYMAN ISLANDS	Jorge Marin (jmm@abragroup.net)	Senior Notes (2028)	$227,092,291	GOL intellectual property, spare parts, and Smiles intellectual property

	Name of Creditor and Mailing Address	Name and Email Address of Creditor Contact	Nature of the Claim (*e.g.*, bank debt, trade debt, real property lease obligations, litigation)	Amount of Claim ($USD)	Description of Collateral
5	THE BANK OF NEW YORK MELLON – 101 BARCLAY STREET, FLOOR 7 EAST – NEW YORK, NEW YORK 10268	Carlos Costa (carlos.costa@bnymellon.com); Reneta Kovacheva (Reneta.Kovacheva@bnymellon.com)	Secured Amortizing Notes 2026 - Series A	$142,075,441	Smiles gross receivables from Itau Unibanco

Exhibit E

Summary of Assets and Liabilities of the Debtor as of January 25, 2024

Pursuant to Local Bankruptcy Rule 1007-2(a)(6), the following are estimates of the Debtors' total assets and liabilities on a consolidated basis. The following financial data is the latest available information and reflects the Debtors' financial condition, as consolidated among affiliated Debtors and non-Debtors as of the Petition Date.

The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt, and to challenge the priority, nature, amount, or status of any such claim or debt.

On a consolidated basis, the total value of the Debtors' assets is approximately $6.86 billion and the total amount of the Debtors' liabilities is approximately $14.24 billion.

Exhibit F

Debtors' Publicly Held Securities

Pursuant to Local Rule 1007-2(a)(7), the Debtors have the following publicly held classes of shares of stock, debentures, or other securities.

GOL is a Brazilian limited liability company and a public reporting company under section 12(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). GOL's preferred shares are traded under the symbol "GOLL4" on B3 S.A. (Brasil, Bolsa, Balcão, the São Paulo Stock Exchange). GOL also has American Depository Receipts ("ADRs") issued through The Bank of New York Mellon, as depositary bank, which ADRs represent preferred shares and are traded under the symbol "GOL" on the New York Stock Exchange.[1] The ADRs commenced trading on the NYSE on June 24, 2004. As of December 31, 2023, GOL had 2,863,682,500 shares of common stock outstanding and 337,480,652 shares of preferred stock outstanding (including preferred shares represented by ADRs and 50,112 preferred shares held by GOL as treasury shares).

[1] Each ADR represents two (2) preferred shares with no par value. GOL's preferred shares are generally non-voting shares; under certain limited circumstances provided for under GOL's bylaws, however, holders of GOL's preferred shares may be entitled to vote. GOL's preferred shares also have certain dividend rights, a liquidation preference, and other protections.

Exhibit G

Debtors' Property Not in the Debtors' Possession[1]

Pursuant to Local Bankruptcy Rule 1007-2(a)(8), the following lists the Debtors' property, as of the Petition Date, that is in the possession or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, secured creditor, or agent for any such entity.

Certain other property of the Debtors is likely to be in the possession of various other persons, including maintenance providers, shippers, common carriers, materialmen, custodians, public officers, mortgagees, pledges, assignees of rents, joint venturers, secured creditors, or agents. Through these arrangements, the Debtors' ownership interest is not affected. In light of the movement of this property, providing a comprehensive list of the persons or entities in possession of the property, their addresses and telephone numbers, and the location of any court proceeding affecting such property would be impractical.

[1] The Debtors reserve the right to supplement this exhibit if additional property is identified.

Exhibit H

Premises from Which the Debtors Operate Their Business

Pursuant to Local Bankruptcy Rule 1007-2(a)(9), the following lists the premises location of real property owned or leased from which the Debtors have operated their business. Certain of the leased premises may have been vacated and/or surrendered as of the Petition Date. The Debtors operate their business primarily at Praça Comandante Linneu Gomes, S/N, Portaria 3, Jardim Aeroporto, São Paulo, Brazil, and to the extent there are additional real properties that the Debtors own or lease, such information will be provided during these Chapter 11 Cases.

Exhibit I

Location of the Debtors' Substantial Assets, Books and Records, and Nature and Location of Debtors' Assets Outside the United States

Pursuant to Local Bankruptcy Rule 1007-2(a)(10), the following provides the location of the Debtors' substantial assets, books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States as of the Petition Date.

Location of Debtors' Substantial Assets

The vast majority of the Debtors' assets are located outside of the United States. Within the United States, the Debtors have assets valued at approximately $5 million, in cash, receivables, security deposits, and other miscellaneous de minimis assets.

Books and Records

The Debtors' books and records are primarily located at Praça Comandante Linneu Gomes, S/N, Portaria 3, Jardim Aeroporto, São Paulo, Brazil.

Debtors' Assets Outside the United States

The Debtors, together with their non-Debtor affiliates, have significant assets worldwide of more than $6.86 billion, chiefly in the form of aircraft and equipment, including significant assets held outside the United States through the direct and indirect subsidiaries, with significant assets in South America and Central America.

Exhibit J[1]

Nature and Status of Actions or Proceedings Against the Debtors Where a Judgment or Seizure of Their Property May be Imminent

Pursuant to Local Bankruptcy Rule 1007-2(a)(11), the following addresses material actions and proceedings pending or threatened against the Debtors or their properties where a judgment against the Debtors or a seizure of their property may be imminent as of the Petition Date.

As discussed at length in *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Them to Pay Certain Lien Claimants and (II) Granting Related Relief* ("Lien Claimants' Motion"), there are certain claims and fines brought against companies in Brazil, including Debtors, on a nearly daily basis by Brazilian plaintiffs and governmental authorities (collectively, the "Brazilian Litigation Claimants" and such claims, collectively the "Brazilian Litigation Claims"). Litigation Claims may be brought by customers, employees, and governmental authorities, among others, as described in more detail in the Lien Claimants Motion. As of the Petition Date, approximately 50,000 Brazilian Litigation Claims are pending against the Debtors. The Debtors are unable to estimate the total amount of the prepetition Brazilian Litigation Claims with reasonable accuracy given the number of such claims and because many of the claims are still being litigated or settled and are not yet reducible to a monetary sum. However, given the frequency with which Brazilian Litigation Claims are brought against the Debtors, the Debtors have historically treated Brazilian Litigation Claims as recurring expenses and have budgeted approximately $7 million per month in 2024 to pay Brazilian Litigation Claims. The Debtors are seeking authority in the Lien Claimants' Motion to pay such Brazilian Litigation Claims. To the extent the Debtors identify any other claims beyond the Brazilian Litigation Claims, they will include them on Debtors' list of creditors.

[1] The Debtors reserve the right to supplement this exhibit if additional property is identified.

Exhibit K

Debtors' Senior Management

Pursuant to Local Bankruptcy Rule 1007-2(a)(12), the following provides the names of the individuals who constitute the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their responsibilities and relevant experience as of the Petition Date.

Name	Position	Responsibilities and Experience
Celso Guimarães Ferrer Junior	President and Chief Executive Officer	Mr. Celso Ferrer Guimarães Junior assumed the position of Chief Executive Officer of the Company in July 2022. He has been with the Company for eighteen years. He served as Vice President and Chief Planning Officer from February 2015 to March 2019, and then Vice President of Operations until June 2022. He is also a pilot of the Boeing 737-700, Boeing 737-800 Next Generation, and Boeing 737-8 Max aircraft. Mr. Celso holds an MBA from INSEAD, a Bachelor of Arts in Economics from the University of São Paulo, and a Master of Business Administration in International Relations from Pontifícia Universidade Católica de São Paulo.
Joseph Bliley	Chief Restructuring Officer	Mr. Joseph Bliley has served as Chief Restructuring Officer since December 2023. He has more than twenty-five years of experience in the financial sector and was most recently a Managing Director and Co-Head of Global Financial Services Investment Banking at Lincoln International, based in New York, NY. Previously, he held senior positions at Stephens, Inc. and Bank of America where he was a Managing Director in the Corporate Finance and Restructuring group. Mr. Bliley earned a Master of Business Administration (with honors) from the University of Virginia where he is a member of the Raven Society and a Bachelor of Science from Duke University.
Mario Tsuwei Liao	Executive Vice President, Chief Financial Officer, and	Mr. Mario Tsuwei Liao has been the Company's Chief Financial and Investor Relations Officer since May 2023, having served as GOL's Corporate Finance Executive Officer since 2016.

Name	Position	Responsibilities and Experience
	Investors Relations Officer	Mr. Liao has worked at GOL since 2005, having held leadership roles in the areas of financial planning, controller, treasury, risk, corporate finance, and investor relations. He holds a Bachelor of Arts from Universidade Mackenzie, a postgraduate degree in Corporate Finance from Fundação Instituto de Administração (FIA), an MBA in Business Management from Fundação Dom Cabral, and several specializations in derivative instruments management. Mr. Liao is a member of the Financial Policy and Risk Committees and Accounting, Tax Policies and Financial Statements Subcommittee of the Company.
Carla Patrícia Cabral da Fonseca	Executive Vice President, Chief Commercial Officer, and Smiles Chief Executive Officer	Ms. Carla Fonseca is Vice-President Director (CXO) and CEO of the Smiles business unit. She has been with the Company for eight years. Previously, she was responsible for the Products and B2C Sales Channels and the Director of the Smiles Argentina branch. Before joining the Company, she had roles at Credicard and Citibank. Carla has a degree in Marketing and an Master in Business Management from Fundação Getúlio Vargas (FGV).
Andre Gonçalves Da Cruz	Chief Operating Officer	Mr. Andre Cruz is the Chief Operating Officer (COO). He is responsible for all airline operations, including, the Operational Control Center (OCC), flight operations (pilots), maintenance and engineering, safety, fleet, supply chain, and BI and analytics organizations. He manages an annual budget of more than $13 billion reais per year and 4,500 employees. He received his bachelor's degree in electrical engineering from the University of Cruzeiro do Sul (UNICSUL), a postgraduate degree in Maintenance Management, Faculty of Industrial Engineering from Institute of Specialized Administrative and Technological Sciences (FEI-IECAT), an MBA in Project Management from Getulio Vargas Foundation (FGV), and he

Name	Position	Responsibilities and Experience
		is currently studying at the Brazilian Institute of Corporate Governance (IBGC).
Renata Fonseca	Chief Legal Officer	Ms. Renata Fonseca has been the Company's Chief Legal Officer since 2022. She has been at the Company for more than a decade. She has significant experience relating to Brazilian legal matters and regulatory matters. Ms. Fonseca holds a bachelor's degree in law from the Pontificia Universidade Católica de Campinas (PUCC).
Camila Coutinho	Chief Audit Officer	Ms. Camila Coutinho has been with the Company for almost six years. She is responsible for corporate risk, internal controls, and internal auditing. She is also a member of the Company's Ethics Committee. Before joining the Company, she was employed for more than sixteen years working in governance, compliance, and risk management at Deloitte. Camila has a degree in Business Administration at PUC Rio and an MBA in Executive Finance from IBMEC Rio.
Jean Carlo Alves Nogueira	Chief People Officer	Mr. Jean Carlo Alves Nogueira is the Company's Chief People Officer, having been at the Company for more than 20 years. His education includes a degree in Business Administration from UNIMESP and an MBA in Strategic People Management from Fundação Getúlio Vargas. At GOL, he began his career as a Financial Assistant and within three years, he achieved the executive position of Human Resources Manager. Mr Nogueira was a key player in building a Shared Services Center model, contributing to optimizing internal processes of GOL.
Luiz Borrego	Chief Innovation Officer	Mr. Luiz Borrego received a degree in Computer Science and Masters in Computing and Applied Mathematics from INPE (National Institute for Space Research). He has more than 25 years of experience in managing areas of technology, research, innovation, and digital transformation.

Name	Position	Responsibilities and Experience
		He worked in the retail, financial market, e-commerce, loyalty, and industrial segments, working for companies such as GOL, Smiles, Rede (Itaú), Politec (Indra), and INPE. He also worked as a technology professor at certain universities. For over eight years he has led the Technology, Innovation and Digital Transformation areas at GOL and Smiles.
Mateus Pongeluppi	Chief Strategy Officer	Mr. Mateus Pongeluppi has been with GOL for a decade, during which time he has served in various capacities within the finance, planning, and operations divisions. In 2023, he was appointed as the Chief Strategy Officer (CSO), assuming responsibility for Network Planning, Revenue Management, Data Analytics, Alliances, Distribution, and Workforce Management. He is also a member of the Alliances Committee of the Company. Prior to this role, Mateus gained experience in the financial markets, working in Equity Research and Funds Accounting. Mateus holds a bachelor's degree in Accounting from the University of São Paulo (USP) and an MBA from Toulouse Business School (TBS). Currently, he is pursuing a PhD at Reykjavik University, focusing his research on Airline Strategy.

Exhibit L

Estimated Payroll for the 30-day Period Following the Petition Date

Pursuant to Local Bankruptcy Rules 1007-2(b)(1)-(2)(A) and (C), the following provides, for the 30-day period following the Petition Date, the estimated amount of weekly payroll to the Debtors' employees (exclusive of officers, directors, and stockholders), the estimated amount paid and proposed to be paid to officers, stockholders, and directors, and the estimate amount paid or proposed to be paid to financial and business consultants retained by Debtors.

Payments to Employees	$48,150,247
Payments to Officers, Directors, and Equityholders (Non-Employees)	$40,200
Payments to Financial and Business Consultants	$4,879,201

Exhibit M

Cash Receipts and Disbursements, Net Cash Gain or Loss, Unpaid Obligations and Receivables

Pursuant to Local Bankruptcy Rule 1007-2(b)(3), the following schedule provides an estimate of, for the 30-day period following the Petition Date, cash receipts and disbursements, net gain or loss, and obligations and receivables expected to accrue but remain unpaid, other than professional fees.

Cash Receipts	$281,648,707
Cash Disbursements	$312,821,441
Net Cash (Gain or Loss)	$31,172,735
Unpaid Obligations	$62,399,013
Uncollected Receivables	$0