

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:)	
)	Chapter 11
AVIANCA HOLDINGS S.A., <i>et al.</i> , ¹)	
)	Case No. 20-11133 (MG)
)	
Debtors.)	(Jointly Administered)
)	

**PERIODIC REPORT
PURSUANT TO BANKRUPTCY RULE 2015.3**

Under the Federal Rules of Bankruptcy Procedure Rule 2015.3, Avianca Holdings S.A. (“Avianca”) and its additional, affiliated debtors in the above captioned chapter 11 cases (collectively, the “Debtors”) submit this report (this “Periodic Report”) on the value, operations, and profitability, as of and for the 12 months ended December 31, 2019, except as otherwise noted, of certain non-Debtor entities in which one or more Debtors hold a substantial or controlling interest (the “Controlled Non-Debtor Entities”). This Periodic Report has been prepared solely for the purpose of complying with the Federal Rules of Bankruptcy Procedure. This Periodic Report includes those non-Debtor entities which are directly owned by the Debtors.

The following exhibit are attached hereto:

Exhibit A	Debtors Direct Interest in the Non-Debtor Entities
Exhibit B-1a	Balance Sheets for the Non-Debtor Entities – December 2019
Exhibit B-1b	Balance Sheets for the Non-Debtor Entities – September 2020

¹ The Debtors in these chapter 11 cases, along with each Debtor’s federal tax identification number (to the extent applicable), are as follows: Avianca Holdings S.A. (N/A); Aero Transporte de Carga Union, S.A. de C.V. (N/A); Aeroinversiones de Honduras, S.A. (N/A); Aerovias del Continente Americano S.A. Avianca. (N/A); Airlease Holdings One Ltd. (N/A); America Central (Canada) Corp. (00-1071563); America Central Corp. (65-0444665); AV International Holdco S.A. (N/A); AV International Holdings S.A. (N/A); AV International Investments S.A. (N/A); AV International Ventures S.A. (N/A); AV Investments One Columbia S.A.S. (N/A); AV Investments Two Columbia S.A.S. (N/A); AV Taca International Holdco S.A. (N/A); Avianca Costa Rica S.A. (N/A); Avianca Leasing, LLC (47-2628716); Avianca, Inc. (13-1868573); Avianca -Ecuador S.A. (N/A); Aviaservicios, S.A. (N/A); Aviateca, S.A. (N/A); Avifreight Holding Mexico, S.A.P.I. de C.V. (N/A) C.R. Int’l Enterprises, Inc. (59-2240957); Grupo Taca Holdings Limited (N/A); International Trade Marks Agency Inc. (N/A); Inversiones del Caribe, S.A. (N/A); Islana de Inversiones, S.A. de C.V. (N/A); Latin Airways Corp. (N/A); Latin Logistics, LLC (41-2187926); Nicaraguense de Aviacion, Sociedad Anonima (Nica, S.A.) (N/A); Regional Express Americas S.A.S. (N/A); Ronair N.V. (N/A); Servicio Terrestre, Aereo y Rampa S.A. (N/A); Servicios Aeroportuarios Integrados SAI S.A.S. (92-4006439); Taca de Honduras, S.A. de C.V. (N/A); Taca de Mexico, S.A. (N/A); Taca International Airlines S.A. (N/A); Taca International Airlines S.A. (N/A); Taca S.A. (N/A); Tampa Cargo S.A.S. (N/A); Technical and Training Services, S.A. de C.V. (N/A); AV Loyalty Bermuda Ltd. (N/A); Aviacorp Enterprises S.A. (N/A). The Debtors’ principal offices are located at Avenida Calle 26 # 59 – 15 Bogota, Columbia.




Exhibit B-2a	Income Statements for the Non-Debtor Entities – December 2019
Exhibit B-2b	Income Statements for the Non-Debtor Entities – September 2020
Exhibit C	Description of Operations for the Non-Debtor Entities
Exhibit D	Description of Claims Between the Controlled Non-Debtor Entities
Exhibit E	Description of how federal, state, or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the controlled non-debtor entities and any other debtors or controlled non-debtor entity (include a copy of each tax sharing or tax allocation agreement which governs these transactions).
Exhibit F	Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

The undersigned, having reviewed the attached Exhibits and this Periodic Report, and being familiar with the Debtors' financial affairs, verifies under the penalty of perjury that this Periodic Report is complete, accurate, and truthful to the best of his knowledge.

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Date: November 19, 2020



Signature of Authorized Individual

Adrian Neuhauser

Name of Authorized Individual

Chief Financial Officer

Title of Authorized Individual

General Notes

Description of these Chapter 11 Cases

On May 10, 2020 (the “Petition Date”), the Debtors commenced with the United States Bankruptcy Court for the Southern District of New York (the “Court”) voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are authorized to continue operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On May 15, 2020, the Bankruptcy Court entered an order authorizing the joint administration of these cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. On May 22, 2020, the United States Trustee for the Southern District of New York (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code. Also, on September 21, 2020 (the “Second Petition Date”), AV Loyalty Bermuda Ltd. and Aviacorp Enterprises S.A. filed voluntary petitions for reorganization under chapter 11 of the Bankruptcy Code in the Court. Additional information about these chapter 11 cases, court filings, and claims information is available at the Debtors’ restructuring website: <https://kccllc.net/avianca>.

Financial Statements

The financial statements contained herein include the results of those entities in which the Debtors hold a direct substantial and controlling interest. The Financial Statements are unaudited, limited in scope and do not fully comply with generally accepted accounting principles in the United States of America (“U.S. GAAP”) or international financial reporting standards (“IFRS”). The financial statements have been derived from the books and records of the Debtors and the Controlled Non-Debtor Entities. If U.S. GAAP or IFRS procedures had been applied in full, the Debtors believe that the financial information could be subject to changes and these changes could be material.

Although management made reasonable efforts to ensure that the financial information is accurate and complete based on information that was available to them at the time of preparation, subsequent information or discovery may result in material changes to the information. Notwithstanding any such discovery, new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update this Periodic Report. Nothing contained in this Periodic Report shall constitute a waiver of any rights of the Debtors, including the right to amend the information contained herein.

The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors are not liable for and undertake no responsibility to indicate variations from securities laws or for any

evaluations of the Debtors based on this financial information or any other information.

The results of operations contained herein are not necessarily indicative of results that are expected from any other period and may not necessarily reflect the results of operations or financial position of the non-Debtors in the future. Further, this Periodic Report is limited in scope, covers a limited time period, and has been prepared solely for purposes of fulfilling the requirements of Bankruptcy Rule 2015.3. Given, among other things, the uncertainty surrounding the realization, measurement, and ownership of certain assets and the valuation and nature of certain liabilities, to the extent that a non-Debtor entity shows more assets than liabilities, this is not an admission that the non-Debtor entity was solvent on the Petition Date or at any time prior to the Petition Date, including the date as of or for the period of any financial statements or other information included in this Periodic Report. Likewise, to the extent that a non-Debtor entity shows more liabilities than assets, this is not an admission that the non-Debtor entity was insolvent on the Petition Date or at any time prior to the Petition Date, including the date as of or for the period of any financial statements or other information included in this Periodic Report.

The balance sheets and statements of income have been included for the non-Debtor affiliates to the extent available on a basis consistent with the Debtor's consolidated financial statements. While statements of cash flow and statements of changes in stockholders' are prepared for consolidated Avianca Holdings S.A and prior years non-Debtor audited financials, these are not prepared at the individual entity basis in the ordinary course of business. Accordingly, a cash flow statement and statements of changes in stockholders' equity have not been included with this report.

Intercompany Transactions

Receivables and payables between the Controlled Non-Debtor Entities and Debtors and/or among the various Controlled Non-Debtor Entities have not been eliminated. No conclusion as to the legal obligation related to these intercompany transactions is made by this Periodic Report.

Current Values

The Debtors do not maintain fair market value or other bases of valuation for these entities, which may differ substantially from the net book value of these entities.

Reservation of Rights

Nothing contained in this Periodic Report shall constitute a waiver or admission by the Debtors in any respect, nor shall this Periodic Report or any information set forth herein waive or release any of the Debtors' rights or admission with respect to these chapter 11 cases, or their estates, including with respect to, among other things, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code and/or causes of action under the provisions of chapter 5 of

the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers. The Debtors are reviewing the assets and liabilities of their affiliates on an ongoing basis, including without limitation with respect to intercompany claims and obligations, and nothing contained in this Periodic Report shall constitute a waiver of any of the Debtors' or their affiliates' rights with respect to such assets, liabilities, claims, and obligations that may exist.

Currency

The amounts herein are presented in United States dollars, unless otherwise stated.

Exhibit A

Debtors' Interest in Controlled Non-Debtor Entities

Non-Debtor Entity	Interest of the Estate	Entity Owning Direct Interest
A.C.S. Air Cargo, Inc.	100%	Aviacorp Enterprises, S.A.
Grupo Taca de Chile S.A.	49%	Aviacorp Enterprises, S.A.
Grupo Taca de Panamá S.A.	100%	Aviacorp Enterprises, S.A.
Grupo Taca del Perú, S.A.C. (a)	98%	Aviacorp Enterprises, S.A.
Grupo Taca S.A. (a)	100%	Aviacorp Enterprises, S.A.
LifeMiles Ltd.	70%	AV Loyalty Bermuda Ltd.
Pitasa S.A.	100%	Aviacorp Enterprises, S.A.
Taca Costa Rica, S.A.	100%	Aviacorp Enterprises, S.A.
Vu-Marsat S.A.	100%	Aviacorp Enterprises, S.A.

Notes:

- (a) These entities are not “operating entities” and, consequently, do not prepare financial statements.

Exhibit B-1a

Balance Sheets for Non-Debtor Entities – December 2019

	AIR CARGO SERVICE, INC.		GRUPO TACA CHILE S.A.		GRUPO TACA DE PANAMA	
	USD Thousands		USD Thousands		USD Thousands	
ASSETS						
Cash and cash equivalents	\$	5	\$	110	\$	393
Short term Investments		-		-		-
Accounts receivable, net of provision for doubtful accounts		-		-		1
Accounts receivable from related parties		2,428		1,765		3,837
Current tax assets		3		8		0
Expendable spare parts and supplies, net of provision for obsolescence		-		-		-
Prepaid expenses		-		-		-
Assets held for sale		-		-		-
Deposits and other assets		-		1		117
Total Current Assets	\$	2,436	\$	1,884	\$	4,349
Deposits and other assets, non current		-		-		-
Accounts receivable, non current		-		-		-
Accounts receivable from related parties, non current		-		-		-
Intangibles		-		-		-
Deferred tax assets		-		37		-
Property and equipment, net		-		-		400
Investments		-		-		-
Total Assets	\$	2,436	\$	1,920	\$	4,749
LIABILITIES & STOCKHOLDERS EQUITY						
Current installments of long-term debt	\$	-	\$	-	\$	-
Assets held for sale debt		-		-		-
Accounts payable		0		59		24
Accounts payable to related parties		2,133		1,003		2,353
Current tax liabilities		10		49		34
Accrued expenses		-		0		-
Provisions for legal claims		-		-		-
Employee benefits		-		139		986
Frequent flyer deferred revenue		-		-		-
Air traffic liability		-		-		-
Other liabilities		-		-		-
Total current liabilities	\$	2,143	\$	1,250	\$	3,397
Long-term debt		-		-		-
Accounts payable, non current		-		-		-
Provisions for returns conditions		-		-		-
Employee benefits LT		-		-		-
Deferred tax liabilities		-		-		-
Total Liabilities	\$	2,143	\$	1,250	\$	3,397
Common stock		667		18		10
Preferred stock		-		-		-
Additional paid-in capital		931		-		-
Retained earnings		(1,305)		669		1,270
Other Comprehensive Income		-		(17)		71
Reserves		-		-		-
Total Stockholders Equity	\$	293	\$	670	\$	1,351
Total Liabilities and Stockholders Equity	\$	2,436	\$	1,920	\$	4,749

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-1a

Balance Sheets for Non-Debtor Entities – December 2019

	LIFEMILES LTD.
	USD Thousands
ASSETS	
Cash and cash equivalents	\$ 41,615
Investments	30,861
Accounts receivable, net provision for doubtful accounts	15,320
Accounts receivable from related parties	46,327
Prepaid expenses	30,932
Total current assets	<u>\$ 165,055</u>
Investments on related parties	549
Financial assets	1
Prepaid expenses	-
Accounts receivable from related parties	-
Intangible assets	64,298
Property and equipment, net	188
Right of use assets	712
Deferred tax assets	-
Deposits and other assets	196
Total Assets	<u>\$ 230,999</u>
LIABILITIES & STOCKHOLDERS EQUITY	
Current portion of loan	\$ 48,573
Lease liabilities	80
Accrued interest	80
Accounts payable	7,544
Accounts payable and accrued expenses	6,192
Accounts payable to related parties	58,436
Income tax payable	-
Deferred revenue	178,747
Employee benefits	-
Total current liabilities	<u>\$ 299,652</u>
Loans	340,772
Financial Liabilities	1,588
Lease liabilities	659
Deferred revenue	225,272
Total Liabilities	<u>\$ 867,943</u>
Common stock	10
Other capital reserves	1,355
Other comprehensive income	(1,037)
Retained earnings	(637,272)
Total Stockholders Equity	<u>\$ (636,944)</u>
Total Liabilities and Stockholders Equity	<u>\$ 230,999</u>

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-1a

Balance Sheets for Non-Debtor Entities – December 2019

	PITASA, S.A.		TACA COSTA RICA S.A.		VU MARSAT S.A	
	USD Thousands		USD Thousands		USD Thousands	
ASSETS						
Cash and cash equivalents	\$	237	\$	99	\$	944
Short term Investments		-		-		3,404
Accounts receivable, net of provision for doubtful accounts		-		19		317
Accounts receivable from related parties		3,966		4,030		14
Current tax assets		74		448		4
Expendable spare parts and supplies, net of provision for obsolescence		-		-		-
Prepaid expenses		-		18		4
Assets held for sale		-		-		-
Deposits and other assets		-		15		2
Total Current Assets	\$	4,277	\$	4,629	\$	4,689
Deposits and other assets, non current		-		-		-
Accounts receivable, non current		-		-		-
Accounts receivable from related parties, non current		-		-		-
Intangibles		-		3,944		1,312
Deferred tax assets		-		(0)		-
Property and equipment, net		-		300		-
Investments		-		-		-
Total Assets	\$	4,277	\$	8,873	\$	6,001
LIABILITIES & STOCKHOLDERS EQUITY						
Current installments of long-term debt	\$	-	\$	-	\$	-
Assets held for sale debt		-		-		-
Accounts payable		237		166		122
Accounts payable to related parties		-		24,664		468
Current tax liabilities		-		-		-
Accrued expenses		-		107		6
Provisions for legal claims		-		16		-
Employee benefits		3,336		695		1,897
Frequent flyer deferred revenue		-		-		-
Air traffic liability		-		-		-
Other liabilities		-		-		12
Total current liabilities	\$	3,573	\$	25,649	\$	2,506
Long-term debt		-		-		-
Accounts payable, non current		-		-		-
Provisions for returns conditions		-		-		-
Employee benefits LT		-		6		-
Deferred tax liabilities		-		24		-
Total Liabilities	\$	3,573	\$	25,679	\$	2,506
Common stock		1		3		1,990
Preferred stock		-		-		-
Additional paid-in capital		-		-		400
Retained earnings		659		(16,810)		1,007
Other Comprehensive Income		-		-		-
Reserves		44		0		99
Total Stockholders Equity	\$	704	\$	(16,806)	\$	3,495
Total Liabilities and Stockholders Equity	\$	4,277	\$	8,873	\$	6,001

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-1b

Balance Sheets for Non-Debtor Entities – September 2020

	AIR CARGO SERVICE, INC.		GRUPO TACA CHILE S.A.		GRUPO TACA DE PANAMA	
	USD Thousands		USD Thousands		USD Thousands	
ASSETS						
Cash and cash equivalents	\$	5	\$	32	\$	157
Restricted Cash		-		-		-
Short term Investments		-		-		-
Accounts receivable, net of provision for doubtful accounts		-		(14)		0
Accounts receivable from related parties		2,387		1,730		3,866
Current tax assets		3		5		274
Expendable spare parts and supplies, net of provision for obsolescence		-		-		-
Prepaid expenses		-		-		-
Deposits and other assets		-		1		117
Assets held for sale		-		-		-
Total Current Assets	\$	2,395	\$	1,754	\$	4,414
Deposits and other assets, non current		-		-		-
Investments		-		-		-
Accounts receivable, non current		-		-		-
Accounts receivable from related parties, non current		-		-		-
Non-current tax assets		-		-		-
Intangibles		-		-		-
Deferred tax assets		-		37		-
Property and equipment, net		-		-		400
Total Assets	\$	2,395	\$	1,791	\$	4,814
LIABILITIES & STOCKHOLDERS EQUITY						
Current installments of long-term debt	\$	-	\$	-	\$	-
Accounts payable		-		18		101
Accounts payable to related parties		2,039		956		2,356
Accrued expenses		-		0		-
Current tax liabilities		10		11		169
Provisions for legal claims		-		-		-
Provisions for returns conditions ST		-		-		-
Employee benefits		-		148		11
Air traffic liability		-		-		-
Frequent flyer deferred revenue		-		-		-
Other liabilities		-		(0)		-
Total current liabilities	\$	2,050	\$	1,133	\$	2,638
Long-term debt		-		-		-
Accounts payable, non current		-		-		-
Accounts payable related parties, non current		-		71		-
Provisions for returns conditions		-		-		-
Employee benefits LT		-		-		-
Tax Liabilities LT		-		13		(0)
Deferred tax liabilities		-		-		-
Deferred revenue, non-current		-		-		-
Other LT liabilities		-		-		-
Total Liabilities	\$	2,050	\$	1,216	\$	2,638
Common stock		667		18		10
Preferred stock		-		-		-
Additional paid-in capital (common stocks)		931		-		-
Additional paid-in capital (preferred stocks)		-		-		-
Retained earnings		(1,252)		575		2,095
Other Comprehensive Income		-		4		71
Reserves		-		-		-
Foreign currency translation effect		0		(22)		0
Non-controlling interest		-		-		-
Total Stockholders Equity	\$	346	\$	574	\$	2,176
Total Liabilities and Stockholders Equity	\$	2,395	\$	1,791	\$	4,814

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-1b

Balance Sheets for Non-Debtor Entities – September 2020

	LIFEMILES LTD.
	USD Thousands
ASSETS	
Cash and cash equivalents	\$ 60,074
Investments	32,355
Accounts receivable, net provision for doubtful accounts	10,499
Accounts receivable from related parties	47,002
Prepaid expenses	6,538
Total current assets	<u>\$ 156,467</u>
Investments on related parties	549
Financial assets	0
Prepaid expenses	27
Accounts receivable from related parties	7,902
Intangible assets	56,150
Property and equipment, net	132
Right of use assets	636
Deferred tax assets	-
Deposits and other assets	126
Total Assets	<u><u>\$ 221,988</u></u>
LIABILITIES & STOCKHOLDERS EQUITY	
Current portion of loan	\$ 48,984
Lease liabilities	84
Accrued interest	4,307
Accounts payable	7,306
Accounts payable and accrued expenses	2,139
Accounts payable to related parties	37,110
Income tax payable	(9)
Deferred revenue	191,118
Employee benefits	522
Total current liabilities	<u>\$ 291,560</u>
Loans	323,490
Financial Liabilities	3,238
Lease liabilities	597
Deferred revenue	240,078
Total Liabilities	<u>\$ 858,963</u>
Common stock	10
Other capital reserves	2,063
Other comprehensive income	(2,177)
Retained earnings	(636,871)
Total Stockholders Equity	<u>\$ (636,975)</u>
Total Liabilities and Stockholders Equity	<u><u>\$ 221,988</u></u>

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-1b

Balance Sheets for Non-Debtor Entities – September 2020

	PITASA, S.A.		TACA COSTA RICA S.A.		VU MARSAT S.A.	
	USD Thousands		USD Thousands		USD Thousands	
ASSETS						
Cash and cash equivalents	\$	166	\$	10	\$	3,394
Restricted Cash		-		-		-
Short term Investments		-		-		-
Accounts receivable, net of provision for doubtful accounts		-		22		93
Accounts receivable from related parties		4,160		3,528		25
Current tax assets		128		417		3
Expendable spare parts and supplies, net of provision for obsolescence		-		-		-
Prepaid expenses		-		18		3
Deposits and other assets		-		18		2
Assets held for sale		-		-		-
Total Current Assets	\$	4,454	\$	4,013	\$	3,521
Deposits and other assets, non current		-		-		(1,703)
Investments		-		-		-
Accounts receivable, non current		-		-		-
Accounts receivable from related parties, non current		-		-		-
Non-current tax assets		-		-		-
Intangibles		-		1,226		-
Deferred tax assets		-		(3)		-
Property and equipment, net		-		271		-
Total Assets	\$	4,454	\$	5,508	\$	1,818
LIABILITIES & STOCKHOLDERS EQUITY						
Current installments of long-term debt	\$	-	\$	-	\$	-
Accounts payable		51		192		114
Accounts payable to related parties		-		24,508		611
Accrued expenses		-		110		6
Current tax liabilities		227		-		(0)
Provisions for legal claims		153		16		-
Provisions for returns conditions ST		-		-		-
Employee benefits		3,426		(119)		595
Air traffic liability		-		-		-
Frequent flyer deferred revenue		-		-		-
Other liabilities		-		-		-
Total current liabilities	\$	3,857	\$	24,707	\$	1,325
Long-term debt		-		-		-
Accounts payable, non current		-		-		-
Accounts payable related parties, non current		-		-		-
Provisions for returns conditions		-		-		-
Employee benefits LT		-		-		-
Tax Liabilities LT		-		-		-
Deferred tax liabilities		-		24		-
Deferred revenue, non-current		-		-		-
Other LT liabilities		-		-		11
Total Liabilities	\$	3,857	\$	24,731	\$	1,336
Common stock		1		3		1,990
Preferred stock		-		-		-
Additional paid-in capital (common stocks)		-		-		400
Additional paid-in capital (preferred stocks)		-		-		-
Retained earnings		552		(19,227)		(2,007)
Other Comprehensive Income		-		-		-
Reserves		44		0		99
Foreign currency translation effect		-		(0)		0
Non-controlling interest		-		-		-
Total Stockholders Equity	\$	597	\$	(19,223)	\$	482
Total Liabilities and Stockholders Equity	\$	4,454	\$	5,508	\$	1,818

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-2a

Income Statements for the Non-Debtor Entities – December 2019

	AIR CARGO SERVICE, INC.	GRUPO TACA CHILE S.A.	GRUPO TACA DE PANAMA
	USD Thousands	USD Thousands	USD Thousands
REVENUES			
Passenger	\$ -	\$ -	\$ -
Cargo and other	58	773	1,797
Total Operating Revenues	58	773	1,797
OPERATING EXPENSES			
Flight operations	-	-	-
Aircraft fuel	-	-	-
Ground operations	-	-	2
Aircraft rentals	-	-	-
Passenger services	-	-	-
Maintenance and repairs	-	-	-
Air traffic	-	75	3
Sales and marketing	-	0	0
General, administrative and other	2	19	59
Salaries, wages and benefits	-	585	953
Depreciation, amortization and impairment	-	-	-
Total Operating Expenses	2	680	1,017
Operating Income (Loss)	56	93	780
Interest expense	(0)	(1)	(8)
Interest income	-	-	-
Foreign exchange	(71)	(40)	-
Equity Method	-	-	-
Income (Loss) before income taxes	(15)	52	772
Income tax expense-current	0	39	194
Income tax expense-deferred	-	1	-
Total income tax expense	0	40	194
Net profit	\$ (15)	\$ 12	\$ 579

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-2a

Income Statements for the Non-Debtor Entities – December 2019

LIFEMILES LTD.	
REVENUES	USD Thousands
Redemption revenue	\$ 252,008
Breakage revenue	65,035
Fees and others	18,974
Total Operating Revenues	<u>336,017</u>
COST OF SALES	
Cost of rewards and direct costs	<u>158,653</u>
Total Cost of Sales	158,653
Gross Margin	177,364
OPERATING EXPENSES	
Selling and marketing expenses	13,578
General and administrative expenses	11,041
Salaries, wages and benefits	8,390
Depreciation and amortization	<u>11,663</u>
Total Operating Expenses	44,672
Operating Income (Loss)	132,692
Interest expense	(36,625)
Interest income	1,263
Foreign exchange	<u>(30)</u>
Income (Loss) before income taxes	97,300
Income Tax	-
Net Income	<u>\$ 97,300</u>

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-2a

Income Statements for the Non-Debtor Entities – December 2019

	PITASA, S.A.	TACA COSTA RICA S.A.	VU MARSAT S.A
	USD Thousands	USD Thousands	USD Thousands
REVENUES			
Passenger	\$ -	\$ -	\$ -
Cargo and other	7,224	6,858	405
Total Operating Revenues	7,224	6,858	405
OPERATING EXPENSES			
Flight operations	435	6	-
Aircraft fuel	-	-	-
Ground operations	-	25	-
Aircraft rentals	-	-	-
Passenger services	-	2	-
Maintenance and repairs	-	104	-
Air traffic	-	28	-
Sales and marketing	-	84	256
General, administrative and other	126	2,743	20
Salaries, wages and benefits	6,198	12,175	189
Depreciation, amortization and impairment	1	3,700	-
Total Operating Expenses	6,759	18,867	465
Operating Income (Loss)	464	(12,009)	(60)
Interest expense	(0)	(4)	(2)
Interest income	2	2	314
Foreign exchange	(2)	(1,558)	121
Equity Method	-	-	-
Income (Loss) before income taxes	464	(13,570)	374
Income tax expense-current	183	46	-
Income tax expense-deferred	-	(2)	-
Total income tax expense	183	44	-
Net profit	\$ 281	\$ (13,614)	\$ 374

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-2b

Income Statements for the Non-Debtor Entities – September 2020

	AIR CARGO SERVICE, INC.	GRUPO TACA CHILE S.A.	GRUPO TACA DE PANAMA
	USD Thousands	USD Thousands	USD Thousands
REVENUES			
Total Operating Revenues	\$ -	\$ 287	\$ 5
OPERATING EXPENSES			
Total Operating Expenses	\$ (0)	\$ (263)	\$ 872
Depreciation, amortization and impairment	-	-	-
Operating Income (Loss)	(0)	24	877
Non-operating expenses	-	-	-
Foreign exchange	(105)	(166)	0
Derivatives	-	-	-
Non-operating income	158	67	-
Interest expense	(0)	(0)	(1)
Income (Loss) before income taxes	52	(75)	876
Income tax expense-current	-	(19)	(52)
Income tax expense-deferred	-	-	-
Total income tax expense	-	(19)	(52)
Net profit	\$ 52	\$ (94)	\$ 825

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-2b

Income Statements for the Non-Debtor Entities – September 2020

	LIFEMILES LTD.
REVENUES	USD Thousands
Redemption revenue	\$ 64,926
Breakage revenue	17,583
Fees and others	<u>5,604</u>
Total Operating Revenues	88,114
COST OF SALES	
Cost of rewards and direct costs	<u>40,303</u>
Total Cost of Sales	40,303
Gross Margin	47,811
OPERATING EXPENSES	
Selling and marketing expenses	5,064
General and administrative expenses	7,657
Salaries, wages and benefits	4,016
Depreciation and amortization	<u>8,576</u>
Total Operating Expenses	25,313
Operating Income (Loss)	22,498
Interest expense	(23,194)
Interest income	1,117
Foreign exchange	<u>(19)</u>
Income (Loss) before income taxes	402
Income Tax	-
Net Income	<u>\$ 402</u>

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit B-2b

Income Statements for the Non-Debtor Entities – September 2020

	PITASA, S.A.	TACA COSTA RICA S.A.	VU MARSAT S.A
	USD Thousands	USD Thousands	USD Thousands
REVENUES			
Total Operating Revenues	\$ 2,941	\$ (14)	\$ 511
OPERATING EXPENSES			
Total Operating Expenses	\$ (2,820)	\$ 220	\$ (398)
Depreciation, amortization and impairment	-	(2,747)	-
Operating Income (Loss)	121	(2,540)	112
Non-operating expenses	-	-	-
Foreign exchange	(34)	(43)	(1,870)
Derivatives	-	-	-
Non-operating income	0	167	80
Interest expense	(18)	(0)	(23)
Income (Loss) before income taxes	70	(2,417)	(1,701)
Income tax expense-current	(194)	-	-
Income tax expense-deferred	-	-	-
Total income tax expense	(194)	-	-
Net profit	\$ (124)	\$ (2,417)	\$ (1,701)

Certain line items have been reclassified for standalone non-Debtor presentation purposes.

Exhibit C

Description of Operations for the Non-Debtor Entities

Non-Debtor Entity	Brief description
A.C.S. Air Cargo, Inc.	Entity incorporated in Florida, USA. Incorporated originally to manage spare parts for Avianca Costa Rica in the United States.
Grupo Taca de Chile S.A.	Renders sales, administrative, airport services and others, signs local contracts needed for the operations of the airlines of the group, etc. This entity is the "local presence" of the airlines which operate in Chile. It is an employer company.
Grupo Taca de Panamá S.A.	Entity incorporated in Panama, formerly served as employer company.
Grupo Taca del Perú, S.A.C.	Non-operating Peruvian entity.
Grupo Taca S.A.	Non-operating Costa Rican entity.
LifeMiles Ltd.	Bermudian company owner and operator of the LifeMiles coalition loyalty program.
Taca Costa Rica, S.A.	Entity incorporated in Costa Rica, formerly served as employer company.
Vu-Marsat S.A.	Company in Costa Rica, incorporated to run the "club" enterprise in this country (similar to tour packaging), but this line of business is disappearing. The entity only has 2 employees left.

Exhibit D

Description of Claims between the Controlled Non-Debtor Entities

The claims are intercompany payables and receivables arising from the normal course of business.

Exhibit E

Description of how federal, state, or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the controlled non-debtor entities and any other debtors or controlled non-debtor entity (include a copy of each tax sharing or tax allocation agreement which governs these transactions).

Debtors and non-debtors currently pay all federal, local and income taxes in accordance with the laws established for them in each country.

For non-debtors, according to the type of company, the tax treatment is indicated as follows:

- For many of the non-debtor companies, each company pays its national and municipal taxes directly, complying with the regulations in force in each country, for national and foreign companies. There are no tax distribution or allocation agreements with any other entity.
- For non-debtor domestic limited liability companies, the tax liabilities are consolidated into a parent company return.
- Special Purpose Vehicle (SPV) entities (used for special financing transactions) are incorporated in certain jurisdictions as collateral, to meet the requirements of lessors. These entities are characterized by a simple registration, and the tax rate is equivalent to a fixed administrative fee according to the regulations in force in each country.
- For non-debtor, non-majority owned companies, the tax is the responsibility of the managing owner/partner.

Exhibit F

**Description of Controlled Non-Debtor Entity's payments of
Administrative Expenses, or Professional Fees otherwise payable by a Debtor**

Not applicable.