

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

**GRUPO AEROMÉXICO, S.A.B. de C.V., et
al.,**

Debtors.¹

Chapter 11

Case No. 20-11563 (SCC)

(Jointly Administered)

**DECLARATION OF MATTHEW LANDESS IN SUPPORT OF
LETTERS OF INTENT MOTION AND RELATED PLEADINGS**

Matthew Landess, pursuant to section 1746, title 28, United States Code, hereby declares under penalty of perjury as follows:

1. I am a Partner of SkyWorks Capital, LLC (“**SkyWorks**”). I have been employed by SkyWorks or its affiliates since 2008. I submit this Declaration in support of the *Debtors’ Motion for (I) Authorization to (A) Enter Into New Aircraft Lease Agreements and (B) Amend and Assume Certain Existing Aircraft Lease Agreements, and (II) Approval of Compromise Regarding Prepetition Claims with Air Lease Corporation* [ECF No. [●]] (the “**Approval Motion**”), *Debtors’ Motion for Entry of an Order Authorizing the Debtors to Partially Redact Letters of Intent* [ECF No. [●]] (the “**Motion to Seal**”), and *Debtors’ Motion for Entry of an Order Shortening Notice with Respect to Air Lease Motion and Motion to Seal* [ECF No. [●]] (the “**Motion to Shorten**”), which were filed with the Court substantially contemporaneously herewith.²

¹ The Debtors in these cases, along with each Debtor’s registration number in the applicable jurisdiction, are as follows: Grupo Aeroméxico, S.A.B. de C.V. 286676; Aerovías de Mexico, S.A. de C.V. 108984; Aerolitoral, S.A. de C.V. 217315; and Aerovías Empresa de Cargo, S.A. de C.V. 437094-1. The Debtors’ corporate headquarters is located at Paseo de la Reforma No. 243, piso 25 Colonia Cuauhtémoc, Mexico City, C.P. 06500.

² Capitalized terms used but not defined herein shall have the meanings set forth in the Approval Motion or the Motion to Seal, as applicable.

2. Prior to joining SkyWorks, I was an employee of Babcock & Brown where I provided financial advice to multiple airline clients, including Delta Air Lines, American Airlines, and a number of regional airlines. Between Babcock & Brown and SkyWorks, I have extensive experience structuring and arranging aircraft-backed lease and loan transactions and working on both consensual and bankruptcy-related airline restructurings

3. As a Partner at SkyWorks, I have advised several airlines during their restructuring processes. I have worked on bankruptcy cases in the airline industry, including TWA, Delta Air Lines, and American Airlines. I have advised multiple industry-leading airlines on matters relating to fleet planning, aircraft orders, aircraft financing structures, including; tax leases, operating leases, capital leases and multiple debt structures, negotiating contracts on behalf of my clients that have enabled them to collectively save billions of dollars and successfully restructure their businesses.

4. SkyWorks has acted as strategic and financial advisor for the Debtors both prior to the commencement of these cases and thereafter. I have extensive knowledge of the matters discussed herein based upon my work with the Debtors as their advisor and, specifically, my review of the Debtors' aircraft portfolio.³

Approval Motion

5. As set forth in the Approval Motion, the Debtors have been engaged in a multi-step process to (a) analyze their anticipated fleet needs, (b) make corresponding adjustments to the size and composition of their operating fleet, and (c) obtain the most favorable terms for new agreements for fleet aircraft equipment. To that end, in conjunction and coordination with

³ This declaration is based off of SkyWorks' knowledge of the Debtors, the Chapter 11 Cases, and their fleet (aside from aircraft number 35311).

negotiations around the Additional Boeing Aircraft, the Debtors have continued to negotiate with existing lessors and potential lessors of additional aircraft equipment to obtain the best terms available for the aircraft that will be necessary for the Debtors to pursue their future business plan and optimize their anticipated fleet at emergence.

6. As a result of arm's length and good faith negotiations, the Debtors and Air Lease have reached agreement to (a) enter into the New Aircraft Leases with respect to three (3) Boeing model 737-9 aircraft and (b) amend and assume, as so amended, the Existing Aircraft Leases with respect to two (2) Boeing model 737-800 aircraft, four (4) Boeing model 787-9 aircraft and one (1) 737-9 aircraft that will complement the Additional Boeing Aircraft in the Debtors' fleet plan. These aircraft will allow the Debtors to retain aircraft that have attractive economics and position the Debtors to potentially reject other costly aircraft that are not as attractive in the long term fleet. The Debtors' ability to achieve the anticipated benefits of the Air Lease Aircraft depends in part on synergies from the reorganized Debtors operating a fleet configuration that also includes the Additional Boeing Aircraft. Accordingly, consummation of the transactions contemplated under the Boeing Motion is a condition precedent to effectiveness of the agreements with Air Lease proposed in the Aircraft Leases.

7. The Letters of Intent set forth commercial terms that will be contained in the Aircraft Leases between the relevant Air Lease Lessor and Aerovías. By agreeing on the majority of the core terms in the Letters of Intent, the Debtors have achieved certainty in adding aircraft to their fleet on terms that fit the Debtors' short- and long-term needs. These state of the art aircraft provide greater versatility for the Debtors to provide comprehensive and competitive services to their customers.

8. The Debtors have evaluated and negotiated the terms in the Letters of Intent in the context of the Debtors' current aircraft equipment agreement negotiations and available alternatives, and now seek to enter into the Aircraft Leases as contemplated thereby because they represent economically sound transactions. The terms of the Letters of Intent represent the best available transactions under the circumstances of these Chapter 11 Cases and provide improved costs and better terms and conditions as compared to the original lease contracts between the Debtors and Air Lease. Furthermore, the Debtors and their advisors negotiated the Letters of Intent at arm's length and in good faith, and in consultation with their key stakeholders.

9. Finally, in conjunction with these transactions, the Debtors seek to resolve all prepetition claims that Air Lease and relevant Air Lease Lessors have asserted against Aerovías. To this end, the parties have agreed that Air Lease and the relevant Air Lease Lessors have an allowed non-priority general unsecured claim in the amount of \$140 million against Aerovías, in full and final satisfaction of their asserted prepetition claims. This Claims Settlement, which was negotiated at arm's length and in consultation with advisors to the Committee and the Ad Hoc Group, will save the Debtors considerable time and expense in their claims reconciliation process.

Motion to Seal

10. The Debtors are seeking only to partially redact the Letters of Intent. The Letters of Intent set forth, among other things, certain economic terms and performance covenants that will be contained in these new and amended lease agreements between Air Lease and Aerovías. While the Letters of Intent are being filed publicly on the Court's docket, the Debtors seek to protect certain key economic terms of the Letters of Intent (the "**Confidential Information**"). Disclosure of the Confidential Information could reasonably be expected to cause harm to the Debtors and jeopardize their goals at a critical juncture in these Chapter 11 Cases by providing

various other aircraft counterparties insight into the Debtors' cost structure, negotiating positions, and fleet strategy. Counterparties that are currently negotiating with the Debtors over new long-term leases, some for aircraft equipment similar to the aircraft equipment here, will insist on obtaining the most favorable economic terms provided to any other lessor. Moreover, the Debtors anticipate further negotiations with equipment counterparties (and potential new counterparties) regarding the terms of long-term lease agreements, and the Debtors' negotiating position will be harmed if equipment counterparties know details of all terms agreed in the Letters of Intent. Further, if the Debtors are not successful in protecting sensitive information and commercial concessions made by Air Lease, it will inhibit the Debtors' ability to enter into further agreements with, and obtain beneficial concessions from, Air Lease as well as other counterparties necessary to the Debtors' ongoing business.

11. Disclosure of the Confidential Information could reasonably be expected to also cause harm to the Debtors and jeopardize their goals at a critical juncture in these Chapter 11 Cases by providing rarely disclosed information to the Debtors' industry competitors. Given that fleet strategy is a core component of any commercial airline's business model, disclosure of this sensitive information could provide the Debtors' competitors with unique insight into the Debtors' business strategy, which the Debtors do not have into their competition. In an already challenging marketplace, this informational asymmetry could render the Debtors disadvantaged relative to their peers.

12. Importantly, the redactions are limited and tailored to protect only specific information whose publication could reasonably be expected to adversely affect the Debtors' ongoing and future negotiations or competition with their peers. The narrowly-tailored nature of

the redactions will serve to both minimize the quantity of redacted information and maximize value for the Debtors' estates and economic stakeholders.

Motion to Shorten

13. The transactions contemplated in the Aircraft Leases are crucial and time-sensitive elements of the Debtors' fleet plan and larger business model. The Debtors anticipate taking delivery of one of the New Air Lease Aircraft as early as the beginning of May, which they intend to deploy in their fleet plan for the upcoming busy summer travel season. It can sometimes take weeks to integrate new aircraft into a commercial fleet after delivery. Therefore, any delay in effectiveness of the Proposed Order would result in a corresponding delay of the foregoing integration process, which in turn could jeopardize the Debtors' ability to execute their optimal fleet plan in the most cost-effective manner for the upcoming busy period. These Air Lease Aircraft will constitute a significant and integral portion of the Debtors' fleet going forward.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed this 22nd day of April,
2021 in New York, New York

/s/ Matthew Landess

Matthew Landess